

Date: 22<sup>nd</sup> August, 2023

To,  
General Manager-(Listing Dept.)  
Department of Corporate Services  
BSE Limited  
P.J. Tower, Dalal Street,  
Mumbai- 400001

**Scrip Code - 527005; ISIN - INE847D01010**

**Subject: Submission of 35<sup>th</sup> Annual Report of the Company for the Financial Year 2022-2023 pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the 35<sup>th</sup> Annual Report for the Financial Year 2022-2023 along with Notice of 35<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 15<sup>th</sup> September, 2023 at 11.30 A.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Further, in compliance with the relevant Circulars issued by the Ministry of Corporate Affairs, relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India, the Company is offering facility of remote e-voting and e-voting facility during the AGM to all the shareholders of the Company in respect of the businesses to be transacted at the 35<sup>th</sup> AGM. For this purpose, the Company has engaged Central Depository Services (India) Ltd. as its Authorised Agency.

Kindly take the same in your records.

Thanking You  
Yours faithfully

**For SHREE PACETRONIX LIMITED**  
**CIN: L33112MP1988PLC004317**

**YASH BAGORA**  
**COMPANY SECRETARY**

*Enclosure: 35<sup>th</sup> Annual Report for the F.Y. 2022-2023 along with notice of AGM.*



# SHREE PACETRONIX LIMITED

**35<sup>TH</sup>**

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ANNUAL REPORT

**2022-2023**



# 35TH ANNUAL REPORT 2022-2023



**Shree Pacetronix Limited**  
**Technology Serving Humanity**  
**An ISO-9001 Company**



# 35<sup>TH</sup> ANNUAL REPORT 2022-2023



**Shree Pacetronix Limited**  
**Technology Serving Humanity**  
**An ISO-9001 Company**



## **CORPORATE INFORMATION**

<b>CORPORATE IDENTIFICATION NUMBER</b>	L33112MP1988PLC004317
<b>REGISTERED OFFICE</b>	Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar (M.P.) – 454775 Contact: 07292-411105, Fax: 07292-400418 Email id: <a href="mailto:pacetronix@hotmail.com">pacetronix@hotmail.com</a> Website: <a href="http://www.pacetronix.com">www.pacetronix.com</a>
<b>BOARD OF DIRECTORS</b>	
<b>Executive Directors</b>	
Managing Director	Mr. Atul Kumar Sethi
Joint Managing Director	Mr. Akash Sethi
<b>Non-Executive Directors</b>	
Independent Director	Mr. Sushil Kumar Patni
Independent Director	Ms. Manali Tongia
Independent Director	Ms. Somya Chhabra
Independent Director	Mr. Chandragupt Jain (Appointed w.e.f. 01.08.2023)
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Ashok Atulkar
<b>COMPANY SECRETARY</b>	Mr. Yash Bagora
<b>CHIEF OPERATING OFFICER</b>	Mr. Sumit Chakarbarti
<b>STATUTORY AUDITORS</b>	S. R. Naredi & Co., Chartered Accountants 204, Manas Bhawan Extn., 11 R.N.T. Marg, Indore (M.P.) - 452001
<b>SECRETARIAL AUDITORS</b>	Shraddha Jain 107, Gold Arcade opposite Curewell Hospital, New Palasia, Indore
<b>BANKERS</b>	Bank of India HDFC Bank Limited Cholamandalam Investment and Finance Company Limited
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	Ankit Consultancy Private Limited 60, Electronic Complex, Pardesipura, Indore (M.P.)-452010 Contact: 0731-4065799, 4065797, 0731-4949444. Email id: <a href="mailto:compliance@ankitonline.com">compliance@ankitonline.com</a> , <a href="mailto:investor@ankitonline.com">investor@ankitonline.com</a>
<b>STOCK EXCHANGE</b> <i>(Where the Company's Securities Listed)</i>	BSE Limited



## **NOTICE**

**NOTICE** is hereby given that the Thirty-Fifth Annual General Meeting (AGM) of the Members of **Shree Pacetronix Limited** will be held on **Friday, 15<sup>th</sup> September, 2023** at **11:30 A.M.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") for which purposes the registered office of the Company situated at Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar, Madhya Pradesh, 454775 shall be deemed as the venue for the meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

### **ORDINARY BUSINESS:**

**1. CONSIDERATION AND ADOPTION OF STANDALONE & CONSOLIDATED AUDITED FINANCIAL STATEMENT**

To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements containing the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit & Loss, Cash Flow Statement and notes thereon of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the Reports of the Board of Directors and the Auditors thereon.

**2. APPOINTMENT OF MR. ATUL KUMARSETHI (DIN:00245685), LIABLE TO RETIRE BY ROTATION**

To appoint a Director in place of Mr. Atul Kumar Sethi (DIN:00245685), Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

**3. RE-APPOINTMENT OF MR. AKASH SETHI (DIN:08176396) AS THE JOINT MANAGING DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being enforce), in terms of Articles of Association, on recommendation of Nomination & Remuneration Committee and on Board's approval, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Akash Sethi (DIN-08176396), who holds office as a Joint Managing Director up to 13<sup>th</sup> August, 2024 as a Joint Managing Director of the Company for a further period of three (3) years commencing from 14<sup>th</sup> August, 2024 to 13<sup>th</sup> August 2027, who shall be liable to retire by rotation, upon such remuneration and the other terms and conditions as detailed in the explanatory statement attached hereto.

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Akash Sethi shall not be in excess with the limit prescribed in the Section 197 read with 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 of the company (including any committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be consider necessary, desirable or expedient for the aforesaid purpose and to vary, modify the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 as existing or amended, modified or re-enacted from time to time and in such a manner as may be agreed between the Board of Directors and Mr. Akash Sethi."

**4. TO INCREASE REMUNERATION OF MR. ATUL KUMAR SETHI (DIN:00245685), MANAGING DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 198, & 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the 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 enforce), and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, the approval of the members of the Company be and are hereby accorded for increase in remuneration of Mr. Atul Kumar Sethi (DIN- 00245685), Managing Director of the Company from Rs. 2,30,000/- (Two Lakhs Thirty Thousand only) per month to Rs.4,50,000/- (Four Lakhs Fifty Thousand only) per month w.e.f 1<sup>st</sup> August 2023, on the terms and conditions as detailed in the explanatory statement attached hereto.

**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 (DIN: 00245685) shall not be in excess with the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

**RESOLVED FURHTER THAT** the Board of Directors be and are hereby jointly and/or severally authorized to do all the needful acts, deeds, matters and things to give effect to this resolution including filing of forms with ROC."

**5. APPOINTMENT OF MR. CHANDRAGUPT JAIN (DIN:10262427) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149,150, 152 and all other applicable provisions, if any, of the Companies Act,2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and Board , consent of the members be and is hereby accorded for the appointment of **Mr. Chandragupt Jain (DIN: 10262427)** who was appointed as an Additional Independent Director by the Board of Directors with effect from 1<sup>st</sup> August, 2023 and holds office up to the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 1<sup>st</sup> August, 2023 upto 31<sup>st</sup> July, 2028 and he shall not be liable to retire by rotation".

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

**PLACE:** Pithampur  
**DATE:** 14/08/2023

**Registered Office:**  
Plot No. 15, Sector-II,  
Industrial Area, Pithampur,  
Dhar, M.P. - 454775

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**Yash Bagora  
Company Secretary**



**NOTES:**

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/ 2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022 and 10/2022 dated December 28, 2022 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January, 15 2021 followed by SEBI circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May, 13 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 (collectively "SEBI Circulars"), have further allowed the Companies to conduct their Annual General Meeting (AGM), through Video Conferencing (VC) or any Other Audio Visual Means (OAVM), subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made there under, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is convening its 35<sup>th</sup> AGM through VC/OAVM, without the physical presence of the Members at a common venue. The Company has availed the facility of Central Depository Services (India) Limited [CDSL] for convening the 35<sup>th</sup>AGM through VC/OAVM, a detailed process in which the members can attend the AGM through VC/OAVM has been enumerated in Note number 30 of this Notice.
2. The attendance of the Members attending the Annual General Meeting through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 (the Act).
3. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 dated 15<sup>th</sup>April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the route map is not annexed in this Notice.
4. In compliance with above MCA and SEBI Circulars have granted relaxations to the companies in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31<sup>st</sup> March, 2023 pursuant to Section 136 of the Act and Notice calling the Annual General Meeting pursuant to Section 101 of the Act read with the Rules framed there under, such statements including the Notice of AGM are being sent **only in electronic mode**, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent or Depository Participant/ Depository as on the cut-off date i.e. Friday, 18<sup>th</sup>August, 2023.

Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with Registrar and Share Transfer Agent by following due procedure.

5. For Members who have not registered their e-mail address and those members who have become the members of the Company after Friday, 18<sup>th</sup> August, 2023 being the cut-off date for sending soft copy of the Notice of 35<sup>th</sup>Annual General Meeting and Annual Report for the financial year 2022-2023, in Portable Document Format (PDF), will also be available on the Company's website [www.pacetronix.com](http://www.pacetronix.com), website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and on website of stock exchange viz. [www.bseindia.com](http://www.bseindia.com).
6. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since the 35<sup>th</sup>Annual General Meeting of the Company will be convened through VC/OAVM, where there will be no physical attendance of members, the requirement of appointment of proxies pursuant to the provisions of Section 105 of the Act has been dispensed. Accordingly, attendance slip and proxy form will not be annexed to this Notice.





7. Pursuant to the provisions of Sections 112 and 113 of the Act, body corporate/institutional members can authorize their representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Provided a certified copy (PDF) of the Board Resolution/authorization letter authorizing such representative to attend the Annual General Meeting of the Company through VC/ OAVM on its behalf and to vote through remote e-voting shall be sent to the Scrutinizer through the registered email address of the member(s) at [shraddhajain2204@gmail.com](mailto:shraddhajain2204@gmail.com) with a copy marked to the Company at [investors.spl@gmail.com](mailto:investors.spl@gmail.com).
8. Pursuant to provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Book of the Company will remain closed during the period from Saturday, 09<sup>th</sup> Day of September, 2023 to Friday, 15<sup>th</sup> Day of September, 2023 (both days inclusive) for the purpose of 35<sup>th</sup> Annual General Meeting.
9. M/s. S. R. Naredi & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 33<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> September, 2021 to hold office till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in the calendar year 2026. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7<sup>th</sup> May, 2018 amending section 139 of the Act and the Rules framed there under, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this Annual General Meeting.
10. **Dematerialization of physical shares:** On and from 1<sup>st</sup> April, 2019, requests for effecting transfer of securities are not processed unless the securities are held in the dematerialized form. In addition to that, as per the recent amendments to SEBI - LODR Regulations effective from January 24, 2022 and SEBI's Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for
  - (a) issue of duplicate securities certificate;
  - (b) claim from Unclaimed Suspense Account;
  - (c) Renewal/ Exchange of securities certificate;
  - (d) Endorsement;
  - (e) Sub-division/ Splitting of securities certificate;
  - (f) Consolidation of securities certificates/folios;
  - (g) Transmission, and
  - (h) Transposition.

Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialization and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI. In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/ claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities.

11. Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are advised to consolidate their holdings in single Demat account/ Folio. 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.
12. SEBI vide. SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November 2021, Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14<sup>th</sup> December 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023, has made it mandatory for all shareholders holding shares in physical form to furnish PAN, KYC and Nomination details to the Company / RTA:



- a) PAN
- b) Contact details, Postal address with PIN Code, Mobile number, E-mail address
- c) Bank account details (bank name and branch, bank account number, IFSC code)
- d) Specimen signature

For furnishing the above-mentioned details, shareholder must submit Form ISR-1 and/or ISR-2 in hard copy form to the company/ RTA. The forms are available on the website of the company as well as on the website of RTA

Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case of shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled.

The forms mentioned above are available on the website of the Company as well as on the website of RTA.

- 13.** The Company has timely sent individual letters to all the Shareholders holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination as per SEBI Circulars. Folios wherein any one of the above-mentioned documents/ details are not available on or after 1<sup>st</sup>October 2023 shall be frozen by (RTA) of the Company in terms of the SEBI Circular dated 16<sup>th</sup>March 2023 and you will not be eligible to lodge grievance or avail service request.
- 14.** Members who have still not registered/updated their e-mail address are requested to register/update at the earliest:
  - a) Members holding shares in physical mode and who have not registered/updated their e-mail address with the Company are requested to register/update their e-mail address by sending duly filled in Form ISR-1 (Form for registering PAN, KYC details or changes/updation thereof) to Ankit Consultancy Private Limited 60, Electronic Complex, Pardesipura, Indore (M.P.)-452010. Form ISR-1 is available on the website of the Company at <https://www.pacetronix.com/investor-corner/other-shareholders-information/> and the website of RTA at <https://www.ankitonline.com/documents.aspx>.
  - b) Members holding shares in dematerialized mode are requested to register/update their e-mail address with the relevant Depository Participants.
- 15.** Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA.
- 16.** For ease of conduct of Annual General Meeting, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id [investors.spl@gmail.com](mailto:investors.spl@gmail.com), at least 7 days before the date of the AGM, mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably.
- 17.** The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Item Nos. 3,4 & 5 are annexed and forms part of the Notice.
- 18.** The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. The relevant documents, if any, referred to in the Notice of 35<sup>th</sup> AGM and the Annual Report will also be available for inspection electronically on request by a member of the Company up to the date of the 35<sup>th</sup>Annual General Meeting of the Company. Members seeking to inspect such documents can send an email to [investors.spl@gmail.com](mailto:investors.spl@gmail.com).



19. Any person, who acquires shares of the Company and become member of the Company after mailing of the notice and holding shares as on the cut-off date i.e. Friday, 08<sup>th</sup>September, 2023, may obtain the login ID and password by sending a request at [investor@ankitonline.com](mailto:investor@ankitonline.com).
20. Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 60 Pardeshipura, Electronic Complex, Indore (M.P.).
21. The Company has designated an exclusive e-mail ID i.e. [investors.spl@gmail.com](mailto:investors.spl@gmail.com) to enable the investors to register their complaints / send correspondence, if any for the purpose of Annual General Meeting.
22. Members who are entitled to participate in the Annual General Meeting can view the proceedings of AGM by logging in the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) using the login credentials.
23. The Company has appointed Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS-39488; CP No. 14717) to act as the scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the Annual General Meeting, in a fair and transparent manner.
24. The voting rights of Shareholders shall be in proportion of shares held by them to the total paid up equity shares of the company as on Friday, 08<sup>th</sup>September, 2023, being the cut-off date.
25. The Chairman shall at the Annual General Meeting at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.
26. A person who has acquired the shares and has become a member of the Company after dispatch of notice of AGM and prior to the Cut-off date i.e. Friday, 08<sup>th</sup>September, 2023, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting on the date of AGM by following the procedure mentioned in this Notice.
27. The procedure for joining the AGM through VC/OAVM is mentioned in this Notice.
28. Details as required in terms of Regulation 36 of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) in respect of the Director seeking appointment/re-appointment at the AGM, forms integral part of this Notice.
29. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations and relevant MCA Circulars, the facility for remote e-voting and e-voting in respect of the businesses to be transacted at the AGM is being provided by the Company through Central Depository Services (India) Limited ("CDSL"). Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting and e-voting during the AGM.
30. **THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER**

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) The voting period begins on Tuesday, 12<sup>th</sup> September, 2023 from 09:00 A.M. and ends on Thursday 14<sup>th</sup>, September, 2023 at 05:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 08<sup>th</sup> September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.



- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDLs given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



**Individual Shareholders holding securities in demat mode with NSDL Depository**

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS "Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

**Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
<b>Individual Shareholders holding securities in Demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).





- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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. <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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <SHREE PACETRONIX LIMITED> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - 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 will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors.spl@gmail.com](mailto:investors.spl@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**31. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
3. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
5. Shareholders are encouraged to join the Meeting through Laptops / I Pads for better experience.
6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.





8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e., [investors.spl@gmail.com](mailto:investors.spl@gmail.com)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e., [investors.spl@gmail.com](mailto:investors.spl@gmail.com)). These queries will be replied to by the company suitably by email.
  9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  10. Only those shareholders, who are present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Annual General Meeting.
  11. If any Votes are cast by the shareholders through the e-voting available during the Annual General Meeting and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- 32. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**
- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company Email ID.:** [investors.spl@gmail.com](mailto:investors.spl@gmail.com)/RTA email id. [investor@ankitonline.com](mailto:investor@ankitonline.com)
  - ii. For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP)
  - iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- 33. DECLARATION OF RESULTS:**
- A. The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.
  - B. Based on the scrutinizer's report, the Company will submit within 2(two) working days of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
  - C. The results declared along with the scrutinizer's report, will be hosted on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com), immediately after the declaration of the result by the Chairperson or a person authorized by him in writing and communicated to the Stock Exchanges.
  - D. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Friday 15<sup>th</sup> September 2023 subject to receipt of the requisite number of votes in favour of the Resolutions.
- 34.** If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contactat toll free no. 1800 22 55 33.



35. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Future x, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

### EXPLANATORY STATEMENT IN TERMS OF SECTION 102(1) OF THE COMPANIES ACT, 2013

#### ITEM NO.3:

Mr. Akash Sethi, aged about 32 years is Director of the Company from 2018. He is serving in capacity of Joint Managing Director of the Company and his tenure is expiring on 13<sup>th</sup> August, 2024 upon completion of 3 years of his appointment as Joint Managing Director.

Mr. Akash Sethi is having more than 8 years of experience in industry and is acquainted with thorough knowledge of business of manufacturing and technicality of medical devices. He holds a Degree of Master of Science under the Department of Electrical and Computer Engineering from Carnegie Mellon University, USA by qualification.

Mr. Akash Sethi is Joint Managing Director of the company. He is associated with the Company from 2018. The appointment has been recommended by the Nomination and Remuneration Committee and further the Board in its meeting held on Monday, 14<sup>th</sup> August, 2023 approved the re-appointment of Mr. Akash Sethi as Joint Managing Director of the Company (subject to the approval of Members in General Meeting) for a further period of three (3) years commencing from 14<sup>th</sup> August, 2024 to 13<sup>th</sup> August, 2027.

The disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a part of this Notice.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Akash Sethi and the terms and conditions of the appointment are given below:

- a. **Term of Appointment:** Three (3) years commencing from 14<sup>th</sup> August, 2024 to 13<sup>th</sup> August, 2027.
- b. **Nature of Duties:** As outlined in Section 166 of the Companies Act, 2013.
- c. **Basic Salary:** Rs 2,00,000/- (Rupees Two Lakhs only) per month. He may be entitled for annual increment upto 15% p.a., which may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.
- d. **Perquisites and allowances:** Following as per rules of the Company:
  - i. Leave Travel Allowance
  - ii. House Rent Allowances
  - iii. Medical Allowances
  - iv. Provision for use of car with driver may be provided for official business and personal use. If used for personal use, it will be billed to him. If no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
  - v. Provision for telephone and internet may be provided at residence and personal calls will be billed to him.
- e. **Provident Fund:** The Company will make suitable contribution towards Provident Fund, as per the rules of the Company.
- f. **Gratuity:** As per rules of the Company.
- g. **Retirement Benefits:** As per rules of the Company.
- h. **Leave encashment:** Leaves will be provided as per rules of the Company including encashment of unavailed leave at the end of the tenure.
- i. **Other Benefits:** Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business will be provided.

The following additional information as required by schedule V to the Companies Act, 2013 is given below:

**I. General Information:**

- i. **Nature of Industry:** The Company is, inter alia, in the business of manufacturing & selling of different range of quality Implantable Cardiac Pacemakers.
- ii. **Date or expected date of commencement of commercial production:** The Company was incorporated on 11<sup>th</sup> January, 1988 and started manufacturing of Pacemakers in the year 1988.
- iii. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable.
- iv. **Financial performance (Standalone & Consolidated) based on given indicators – As per Audited Financial Results for the year ended 31<sup>st</sup> March, 2023:**

PARTICULARS	RS. IN HUNDREDS	
	Standalone	Consolidated
Gross Turnover & Other Income	2028060.46	2034700.33
Net profit as per Statement of Profit & Loss (After Tax)	324760.32	325966.58
Net Worth	964668.30	952351.70

- v. **Foreign investments or collaborators, if any:** Not Applicable. However the company is having NRI & Overseas Body Corporate shareholding of 6,93,066 shares i.e. 19.26%.

**II. Information about the appointee:**

- i. **Background details:** Refer Explanatory Statement of Item No. 3.
- ii. **Past remuneration:** Rs. 2,00,000/- (Rupees Two Lakhs only) per month.
- iii. **Recognition or awards:** Nil.
- iv. **Job Profile and his suitability:** Mr. Akash Sethi is having more than 8 years of experience in industries and is acquainted with thorough knowledge of business and technicality of medical devices. He holds a Degree of Master of Science under the Department of Electrical and Computer Engineering from Carnegie Mellon University, USA by qualification.
- v. **Remuneration proposed:** Refer Explanatory Statement of Item No. 3.
- vi. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** Taking into consideration the size of the Company, the profile of Mr. Akash Sethi and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.
- vii. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company and Mr. Akash Sethi is son of Mr. Atul Kumar Sethi (Managing Director) of the company. Except them none of the Directors is related to him.

**III. Other Information:**

1. **Inadequate Profits:** During the Financial Year, the Company has registered a Profit of Rs. 324.76 Lakhs during the year ended 31<sup>st</sup>, March, 2023 which is inadequate for the payment of remuneration to the Directors. Hence the provisions of Section 197(3) and Schedule V are attracted. In terms of which, the required remuneration may be paid without the approval of Central Government only if the Conditions as specified under Schedule V is complied with.



2. Reasons of loss or inadequate profits: Company has registered a profit of Rs. 324.76 Lakhs during the year ended 31<sup>st</sup>, March, 2023. However it is not adequate for payment to directors because the health supply industry witnessed a slow growth rate due to certain government policies and control measures, also regulatory and compliance issues are getting more demanding which resulted in to the weak financial performance of the Company.
3. Steps taken or proposed to be taken for improvement and Expected increase in the Productivity and profits in measurable terms: The Company with an aim of improvement of the Company, increased productivity & profits for the Company working hard towards the same, hoping that government addresses major issues like pricing & healthcare policies soon. The Company, its directors & its management are committed to widen its reach with both international and Indian companies. Your Company is geared for the future and also implementing its management skills and strategies for the better organic and inorganic growth of the company in a pattern which would result in minimizing the cost & expenses and yet producing exemplary quality & reliable products.

**IV. Disclosures:**

The information and Disclosures of the remuneration package of the Executive Director have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration paid to Executive Directors" for the year ended 31<sup>st</sup> March, 2023.

Mr. Akash Sethi satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. Taking into consideration his experience, commitment and capabilities that are playing a crucial role in the growth of the Company, 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 Joint Managing Director.

Except Mr. Atul Kumar Sethi and Mr. Akash Sethi, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution. The Board recommends to pass Special resolution as set out in Item No. 3 of the notice.

**ITEM NO. 4:**

Mr. Atul Kumar Sethi, aged about 61 years is Director of the Company since incorporation of the Company. He is serving in capacity of Managing Director of the Company. He is associated with the Company from 1988.

Mr. Atul Kumar Sethi is having more than 24 years of experience in industries and is acquainted with thorough knowledge of business of manufacturing and selling of medical devices. He is Master of Business Administration (MBA) in marketing by qualification.

Mr. Atul Kumar Sethi, Managing Director have proved to be an invaluable asset for the company. Considering his sincerity, commitment, hard work, devotion and concern about the company and its growth, the board feels it absolutely necessary to increase the remuneration from Rs. 2,30,000/- (Two Lakhs Thirty Thousand only) per month to Rs. 4,50,000/- (Four Lakhs Fifty Thousand only) per month w.e.f 1<sup>st</sup> August, 2023.

The board recommends to pass special resolutions as set out in item no. 4 of the notice.

Mr. Atul Kumar Sethi is considered as financially interested in the resolutions to the extent of the remuneration as may be paid to him. Further provided that Mr. Akash Sethi, (Joint Managing Director) being relative of above director may also be deemed as concerned or interested financially or otherwise in the resolutions. Except that none of the other Directors or key managerial personnel (KMP) or their relatives are concerned or interested in the resolution.

The details of remuneration payable to Mr. Atul Kumar Sethi and the terms and conditions of the appointment are given below:



- a. **Basic Salary:** Rs. 4,50,000/- per month(Four Lakhs Fifty Thousand only) w.e.f 1<sup>st</sup>August, 2023. He shall be entitled for annual increment and variable pay as per growth and progress of the Company, which may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.
- b. **Perquisites and allowances:** Following as per rules of the Company:
- i. Leave Travel Allowance
  - ii. House Rent Allowances
  - iii. Medical Allowances
  - iv. Provision for use of car with driver may be provided for official business and personal use. If used for personal use, it will be billed to him. If no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
  - v. Provision for telephone and internet may be provided at residence and personal calls will be billed to him.
- c. **Provident Fund:** The Company will make suitable contribution towards Provident Fund, as per the rules of the Company.
- d. **Gratuity:** As per rules of the Company.
- e. **Leave encashment:** Leaves will be provided as per rules of the Company including encashment of unavailed leave at the end of the tenure.

**Other Benefits:** Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business will be provided.

#### **ITEM NO.5:**

**Brief profile of proposed appointee:** Mr. Chandragupt Jain, (DIN: 10262427) aged about 73 years has a Bachelor's Degree in Commerce.

Based on the recommendation of the Nomination And Remuneration Committee, the Board of Directors of the company has appointed Mr. Chandragupt Jain (proposed appointee) as Additional Director (Independent Category) of the Company subject to consent by the members of the Company at the ensuing Annual General Meeting ("AGM").The Company has also received declarations from the proposed appointee confirming that they meet the criteria of Independence as prescribed under the act and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The company has also received consent in writing from the proposed appointee to act as director in Form DIR-2 and pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) rules, 2014 and intimation in Form DIR-8 in terms of companies (appointment and qualifications of directors) rules, 2014, to the effect that he is not disqualified under sub- section (2) of section 164 of the companies act, 2013.

In the opinion of the board, the proposed appointee fulfils the conditions for the appointment as Independent Director as specified in the act and the listing regulations and he is Independent of the management. The proposed appointee is not related to any other director and key managerial personnel of the company. None of the Directors, key managerial personnel and their relatives, except proposed appointee, in any way, concerned or interested in the said resolution. The board recommends to pass Special resolution as set out in item no. 5.

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING**

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions:

NAME OF DIRECTOR	MR. AKASH SETHI	MR. CHANDRAGUPT JAIN
DIN	08176396	10262427
Date of Birth	15/05/1991	07/06/1950
Date of First Appointment	14/08/2018	01/08/2023
Qualification	Master of Science	Bachelor's in Commerce
Expertise / Experience in specific functional areas	More than 8 years of experience in industries and is acquainted with thorough knowledge of business and technicality of medical devices.	Mr. Chandragupt Jain, aged 73 years, has a bachelor's degree in Commerce, he is an acumen business man, having the wide experience of business development, he is a renowned person, having high moral values, he is persistently known for his honesty and leading the business in the transparent and ethical manner. His vision to lead the business in an ethical manner helps the company to achieve better corporate governance.
Category of Directorship	Executive Promoter Director	Non Executive Independent Director
Relationships with Other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Akash Sethi is son of Mr. Atul Kumar Sethi Managing Director of the Company.	Nil
No. & Percentage of Equity Shares held	12,699 (0.35%)	Nil
List of outside Company directorship held	Shree Coratomic Limited	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	Nil	Nil
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	Nil	Nil

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

**PLACE:** Pithampur  
**DATE:** 14/08/2023

**Registered Office:**  
Plot No. 15, Sector-II,  
Industrial Area, Pithampur,  
Dhar, M.P. - 454775

**Yash Bagora**  
Company Secretary



**BOARD'S REPORT**

To  
The Members,  
**Shree Pacetronix Limited,**  
**Plot No 15, Sector-II,**  
**Industrial Area, Pithampur**  
**District Dhar,(M.P.)-454775**

Your Directors have immense pleasure in presenting 35<sup>th</sup> Board's Report of **Shree Pacetronix Limited**, together with the Standalone and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023.

**1. State of Affairs, Financial Performance and Future Outlook:****a. Financial Performance**

The financial highlights and summarized financial results of the Company are given below:

(In Rupees Hundred)

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year ended 2022-2023	Year ended 2021- 2022	Year ended 2022-2023	Year ended 2021- 2022
<b>Revenue from operations</b>	20,19,351.65	9,02,604.23	20,25,546.43	9,23,056.22
<b>Other Income</b>	8,708.81	6,706.81	9,153.90	7,214.17
<b>Total Expenses [excluding interest &amp; depreciation]</b>	14,80,787.38	7,44,276.41	14,85,113.10	7,46,808.18
Profit before Interest, Depreciation & Tax	<b>5,47,273.08</b>	<b>1,65,034.63</b>	<b>5,49,587.23</b>	<b>1,83,462.21</b>
Less: <b>Depreciation</b>	62,861.54	49,751.79	62,862.70	49,753.37
Less: <b>Interest</b>	24,690.86	26,787.91	24,690.86	27,662.08
<b>Profit/(Loss) Before Tax</b>	<b>4,59,720.68</b>	<b>88,494.93</b>	<b>4,62,033.67</b>	<b>1,06,046.76</b>
Less: <b>Tax Expenses</b>				
<b>Current Tax</b>	1,43,803.25	26,083.64	1,44,302.09	26,083.64
<b>Deferred Tax</b>	(8,842.90)	(2,798.50)	(8,235.00)	1,882.40
Net Profit/(Loss) after Tax	<b>3,24,760.32</b>	<b>65,209.79</b>	<b>3,25,966.58</b>	<b>78,080.71</b>
Attributable to:				
<b>Equity Holders</b>	-	-	3,25,965.53	78,069.46
<b>Non-controlling interest</b>	-	-	1.05	11.25
Add: <b>Amount brought forward from Last Year</b>	<b>2,22,106.90</b>	<b>1,56,897.11</b>	<b>2,08,587.69</b>	<b>1,30,518.23</b>
<b>Balance carried forward to Balance Sheet</b>	<b>5,46,867.22</b>	<b>2,22,106.90</b>	<b>5,34,553.22</b>	<b>2,08,587.69</b>

The Company's financial statements for the year ended March 31, 2023 are the financial statements prepared in accordance with Indian Accounting Standards (IND-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and as applicable.

**Standalone:** During the Financial Year ended on 31<sup>st</sup> March, 2023, your Company has achieved on standalone basis an operational turnover and other income of Rs. 2028.06 Lakhs as against an operational turnover and other income of Rs. 909.31 Lakhs in the previous Financial Year and the Profit after Tax of Rs. 324.76 Lakhs as against Profit after Tax of Rs. 65.21 Lakhs in the previous Financial Year.

**b. Performance of Subsidiary and overall contribution to the performance of the Company**

The Company has one subsidiary named 'Shree Coratomic Limited'. On consolidated basis, your Company has achieved operational turnover and other income of Rs. 2034.70 Lakhs as against an operational turnover and other income of Rs. 930.27 Lakhs in the previous Financial Year and the Profit after Tax of Rs. 325.96 Lakhs as against Profit after Tax of Rs. 78.08 Lakhs in the previous Financial Year. The company and its subsidiary





on its standalone basis reported Profits during the year and there overall performance has increased as against the previous financial year.

### **c. Operations And Future Outlook**

The Company is one among the Corporates which are operating in global market for Pacemaker. Pacemakers are medical devices that are used to impart electrical pulses to the heart, so as to ensure normal heart rate. Pacemakers are used to treat patients who are suffering from heart conditions, such as heart failure and arrhythmias. These devices are implanted under patient's chest by cardiologist to deal with various indications and used for the treatment of heart medical complications/conditions.

Your company focuses on the development, production, and distribution of pacemakers and related medical devices. It work closely with healthcare professionals and hospitals to ensure that their products meet the highest standards of quality and safety.

Our operations involve extensive research and development efforts to stay at the forefront of pacemaker technology. This includes exploring new materials, improving battery life, and enhancing connectivity features to provide better monitoring and care for patients.

Your company also has a strong manufacturing process in place to ensure efficient production and timely delivery of pacemakers. They have stringent quality control measures in place to guarantee that each device meets the necessary standards before it reaches patients.

The pacemaker industry has been witnessing significant advancements in recent years, thanks to ongoing technological innovations. As a result, there are several exciting opportunities on the horizon for the company.

The market is estimated to grow at a compound annual growth rate (CAGR) of 5.4 per cent between 2022 and 2025. Due to rising incidences of cardiovascular diseases and impacts of COVID-19 has resulted in increase in cost of cardiac disease management, favourable government policies, and the launch of technologically advanced pacemakers such as the MRI safe pacemakers and leadless pacemakers are chiefly driving the growth in the market.

Currently, Majority of the players operating in the Indian market are foreign companies. Stiff competition exists among these players. Your Company is looking forward to cover major Indian market in coming years. Further, the Company is serving to other Countries also and panning to reach far beyond Indian boundaries. This will also help our nation to save crucial foreign exchange.

Your Company will remain focused on its agenda of superior revenue growth, cost consciousness and improving the overall margin profile of the Company simultaneously focusing on the welfare of the society being its most concerned responsibility.

We have already reached a milestone of more than 1,00,500 implants in India and beyond. This has been truly possible through the continued commitment to Research and Development and a vision to serve our people.

The Prime Minister's atmanirbhar bharat abhiyan and "vocal for local" mantra has also brought out the significance for our local brands to have a global presence. India is the biggest and the fastest-growing market in the world for the majority of the product categories.

With a more than 30 years of experience, we continue to aspire with great zeal and vigour to realize our PM's mission of "Make in India" and "Self Reliance".

### **d. Change in nature of Business**

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

### **e. Changes in Share Capital**

During the Financial Year 2022-2023 there was no change in capital structure of the Company. The paid up equity capital as on 31<sup>st</sup> March, 2023 was Rs. 3,59,94,000/- (Rupees Three Crores Fifty Nine Lakhs and Ninety Four Thousand Only) divided into 35,99,400 equity shares of Rs. 10/- each. 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. None of the Directors of the company hold instruments convertible into equity shares of the Company.

Further during the Year under Review, your Company has proposed a preferential issue of warrants convertible into equity shares on preferential basis to promoter and promoter group of the Company. However the same was called off by the Company due to non availability of in-principle approval from the Appropriate Authorities.

#### **f. Revision of Annual Financial Statements**

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

#### **2. Transfer to Reserves**

During the year the Company has not transferred any amount to the general reserves or any other reserves as the Company retains the entire amount of profits as retained earnings.

#### **3. Dividend**

Your Directors have not recommended any Dividend for the year under review.

#### **4. Deposits**

During the year under review, the Company did not accept any deposits within the meaning of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

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

Further there are no other material changes and commitments affecting financial position of the company which have occurred between the end of the financial year of the company to which financial statements relate and as on date of this report.

#### **6. Annual Return**

Pursuant to provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company for Financial Year 2022-23 is available on the Company's website at weblink <https://www.pacetronix.com/investor-corner/other-shareholders-information/>.

#### **7. Subsidiary, Associate Companies or Joint Ventures of the Company**

##### **Subsidiary:**

The Company has one Indian subsidiary "Shree Coratomic Limited" (CIN:U33112MP1995PLC008917). In accordance with Section 129 of the Companies Act, 2013, a separate statement containing salient features of the financial statement of the subsidiary of the Company forms part of Annual Report in the prescribed **Form AOC-1** as **Annexure I**.

Further, the Company has also formulated a policy for determining 'material' subsidiary which is available on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com).

**Associate Company or Joint Venture:** The Company does not have any joint venture or associate Company at the beginning or closing or any time during the year 2022-2023.

#### **8. Consolidated Financial Statements**

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company and its subsidiary, which forms part of this Annual Report is prepared in accordance with the relevant Indian Accounting Standards (IND-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133, as applicable along with other relevant provisions of the Act.



During the year under review, no Company has become or ceased to be a subsidiary of the Company.

In terms of Section 136 of the Companies Act, 2013 ('the Act'), the Financial Statements of the subsidiary and related detailed information will be kept at the Registered Office of the Company and also at the registered office of the Subsidiary Company and will be available to the members of the Company on their request. They are also available on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com).

## 9. Particulars of contracts or arrangements with Related Parties

During the financial year 2022-2023, all contracts/ arrangements/ transactions entered into by the Company with its related parties were reviewed and approved by the Audit Committee and the Board. Prior omnibus approvals were obtained from the Audit Committee for related party transactions which were of repetitive nature, entered in the ordinary course of business and on an arm's length basis. No transaction with any related party was in conflict with the interest of the Company.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

There are no material contracts or arrangements or transactions during the year. Thus, the disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

The Company has adopted a Related Party Transactions Policy and the same is uploaded on the Company's website <https://www.pacetronix.com/investor-corner/policies/>.

Suitable disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the Note-38 to the Standalone financial statements.

## 10. Directors and Key Managerial Personnel

At the year ended 31<sup>st</sup> March, 2023, the Board of Directors comprised of Two Executive directors and Three Non-Executive Independent Directors, which includes two Independent Women Director. The Company has one Chief Financial Officer and a Company Secretary.

### Independent Directors:

The Independent Directors on the Board of the Company comprise of Mr. Sushil Kumar Patni (DIN: 00245754), Ms. Manali Tongia (DIN: 09542172) and Ms. Somya Chhabra (DIN: 09597296) (Appointed w.e.f. 06th May, 2022) as on year ended 31<sup>st</sup> March 2023.

### Declaration by Independent Directors

All Independent Directors of the Company have furnished 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 Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year. Independent Directors have also submitted declaration that they have registered themselves on the online data bank of Indian Institute of Corporate Affairs (IICA) in accordance with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

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 and the Rules made there under and as per Regulation 25 of SEBI (LODR) Regulations, 2015.

Independent Directors are not liable to retire by rotation, in terms of Section 149(13) of the Act.

**Change in Directors and Key Managerial Personnel:****Resignation:**

Mr. Rajesh Kumar Bhale, Mr. Varun Rawat and Mr. Mahesh Purohit, Non executive Independent directors of the Company has resigned from the Board w.e.f from 6<sup>th</sup> May 2022. Further, the said directors have also confirmed that there is no material reason for their resignation as independent directors.

**Regularization of Directors:**

The Board in its meeting held on Monday, 31<sup>st</sup> July, 2023, appointed Mr. Chandragupt Jain (DIN: 10262427) as the Additional Director of the Company w.e.f. 1<sup>st</sup> August 2023 in the category of Non Executive Independent Directors and he shall hold office upto the conclusion of ensuing Annual General Meeting.

During the year under review, based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Thursday, 24<sup>th</sup> March 2022 approved the appointment of Ms. Manali Tongia (DIN: 09542172) as an Additional directors in the Category of Non-Executive Independent Director and further in its meeting held on Thursday, 05<sup>th</sup> May 2022 approved the appointment of Ms. Somya Chhabra (DIN: 09597296) as an Additional directors with effect from 06<sup>th</sup> May, 2022 in the Category of Non-Executive Independent Director.

Further, in the 34<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> August, 2022, the members approved the appointment of Ms. Manali Tongia (DIN: 09542172) as Directors in the Category of Non-Executive Independent Directors of the Company for a term upto five consecutive years commencing from 24<sup>th</sup> March, 2022 upto 23<sup>rd</sup> March, 2027 and Ms. Somya Chhabra (DIN: 09597296) as Directors in the Category of Non-Executive Independent Directors of the Company for a term upto five consecutive years commencing from 06<sup>th</sup> May, 2022 upto 07<sup>th</sup> May, 2027 respectively.

Your Directors recommend the appointment of Mr. Chandragupt Jain (DIN: 10262427) as a Director on the Board of the Company

**Directors seeking re-appointment at the ensuing 35<sup>th</sup> Annual General Meeting:**

Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Monday, 14<sup>th</sup> August 2023, proposed the re-appointment of Mr. Akash Sethi (DIN: 08176396) as a Joint Managing Director of the Company for a further period of three (3) years commencing from 14<sup>th</sup> August, 2024 to 13<sup>th</sup> August, 2027 which is subject to the approval of shareholders in the ensuing 35<sup>th</sup> Annual General Meeting.

Your Directors recommend the re-appointment of Mr. Akash Sethi (DIN: 08176396) as a Joint Managing Director of the Company.

**Director liable to Retire By Rotation:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Atul Kumar Sethi (DIN: 00245685), Managing Director of the Company is liable to retire by rotation and being eligible, offers himself for reappointment at the ensuing 35<sup>th</sup> Annual General Meeting.

**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 director is disqualified for holding office as director.

Further the Certificate from Practicing Company Secretary certifying that none of the directors of the company is disqualified for holding office as director of the Company is enclosed with this Board Report.



## 11. Committees of the Board of Directors

The Board has three committees which have been constituted in compliance with the requirements of the relevant provisions of applicable laws and statutes. The following are the details of the Board Committees during the Financial Year 2022-2023:

### Committees of the Board of Directors

The Board has three committees which have been constituted in compliance with the requirements of the relevant provisions of applicable laws and statutes. The following are the details of the Board Committees during the Financial Year 2022-2023:

- a. Audit Committee
- b. Nomination & Remuneration Committee
- c. Stakeholders Relationship Committee

#### a. Audit Committee:

- 1. Sushil Kumar Patni – Chairman, Independent Director
- 2. Manali Tongia – Member, Independent Director
- 3. Somya Chhabra# – Member, Independent Director

#### b. Stakeholder Committee:

- 1. Sushil Kumar Patni – Chairman, Independent Director
- 2. Manali Tongia – Member, Additional Independent Director
- 3. Atul Kumar Sethi – Member, Executive Director

#### c. Nomination and Remuneration Committee:

- 1. Sushil Kumar Patni – Chairman, Independent Director
- 2. Manali Tongia – Member, Additional Independent Director
- 3. Somya Chhabra# – Member, Additional Independent Director

#Appointed as a member of Committee w.e.f. Friday, 06th May, 2022.

### Audit Committee

At the year ended March 31, 2023, the Company has an adequately qualified and experienced Audit Committee with Mr. Sushil Kumar Patni as Chairperson, Ms. Manali Tongia as Member and Mr. Somya Chhabra, as Member. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

The details with respect to other Committees, their compositions, powers, roles and terms of reference, Meetings held and attendance of the Directors at such Meetings of the Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Report.

## 12. Meetings of the Board of Directors and its committees

- a. **Board Meetings:** During the year under review the Board has met 09 (Nine) times viz. **May 05, 2022; May 30, 2022; July 21, 2022; August 13, 2022; August 30, 2022; September 05, 2022; November 04, 2022; November 14, 2022; February 13, 2023.**

The details of meetings of the Board and the attendance of Directors at such Meetings are provided in the Corporate Governance Report.

- b. **Committee Meetings:** During the year under review, the Committees duly met and the details of the Meetings held and attendance at such Meetings, are provided in the Corporate Governance Report.





- c. **Separate Meeting of Independent Director:** During the year under review, a separate meeting of Independent Directors was held on 13<sup>th</sup> February, 2023. Details of the attendance of the Directors at such Meeting and detail about familiarisation programme, is provided in the Corporate Governance Report.

### 13. Nomination and Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other Senior Management Personnel which is being approved and adopted by the Board and has been posted on the website of the Company and can be accessed through web link <https://www.pacetronix.com/investor-corner/policies/>.

**Salient Features of the policy:** The policy covers the following:

1. Definitions
2. Objective of the Committee
3. Appointment Criteria for Directors and Key Management Personnel.
4. Additional Criteria for Appointment of Independent Directors.
5. Tenure of the Directors.
6. Removal of the Director, KMP or Senior Management Personnel
7. Remuneration Criteria for Non Executive Directors,
8. Remuneration criteria for Directors & Key Managerial Personnel & senior management.
9. Criteria for Evaluation of Performance of Independent Directors and the Board of Directors.

The Nomination and Remuneration Policy of the Company is placed on the Company's website at <http://www.pacetronix.com/investor-corner/policies/>.

#### Other Policies:

The other policies adopted by the Company pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations are placed on the Company's website at <http://www.pacetronix.com/investor-corner/policies/>.

### 14. Performance Evaluation of the Board

Pursuant to the provisions of section 134(3)(p) of Companies Act 2013 and Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidance Note on Board Evaluation issued by the Institute of Company Secretaries of India and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017, the Nomination and Remuneration Committee of the Company has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors.

The Board of Directors has carried out an annual performance evaluation of its own performance, the Directors and the Committees. Performance evaluation of independent Directors was in accordance with Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is done by the entire board, excluding the director being evaluated. The performance evaluation of the Executive Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The criteria on the basis which the evaluation has been carried out are explained in the Corporate Governance Report.

The performance of the board was evaluated by the board after seeking inputs from all the Directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the committee was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of the committee, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual director on the basis of criteria such as the contribution of the individual directors to the board and committee meeting like preparation on the issues to be discussed, meaningful and constructive contribution and inputs in meeting, etc.



## 15. Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2023, 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 31<sup>st</sup> March 2023 and of the profit for the year ended on that period.
- c. The Directors have 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 have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## 16. Auditors:

### a. Statutory Auditors

Pursuant to the provisions of section 139 of the Act and the rules framed there under, at the 33<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> September 2021, M/s S.R. Naredi & Co., Chartered Accountants (ICAI Firm Registration No. 002818C) were appointed for a term of five consecutive years as Statutory Auditors of the Company to hold office till the conclusion of 38<sup>th</sup> Annual General Meeting to be held in the calendar year 2026.

The Company has received a certificate from the Statutory Auditors confirming their eligibility and willingness for their appointment and affirmation that the appointment is in accordance with Section 139 read with Section 141 of the Act.

In accordance with Notification No. GSR 432(E) issued on 07<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs the appointment of statutory auditors is not required to be ratified at every Annual General Meeting.

### Explanation to Auditor's Remark

The Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

### Reporting of fraud by Statutory Auditors

There was no fraud in the Company, which was required to report by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

### b. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Ms. Shraddha Jain, Practicing Company Secretary, Indore (M.P.) to conduct Secretarial Audit of the Company for the financial year 2022-2023. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2023 is annexed herewith marked as **Annexure II** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks or disclaimer.

### c. Cost Record and Cost Audit

The Company does not fall within the provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014 as amended from time to time, therefore no such records required to be maintained.



**d. Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed Shreyash Sethiya & Associates Chartered Accountant, Indore (Firm Registration No. 033148C), to conduct Internal audit of the Company for the financial year 2022-2023.

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

Your 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 for financial year 2022-2023 is entrusted to Shreyash Sethiya & Associates Internal Auditors. 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.

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

During the Financial Year 2022-2023, your Company has not given any loan, guarantee or made investments in anybody corporate in terms of section 186 of the Companies Act, 2013. Details of investment and guarantee covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No.3 and 31 forming part of the financial statements of the Company.

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

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached as **Annexure III** to this report.

**20. 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.

**21. Corporate Social Responsibility**

The Company does not fall under the provisions of the Section 135 of the Companies Act, 2013 and the rules made their under. Hence the obligations under section 135 of the Companies Act, 2013 are not applicable to the Company.

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

During the year under review, there are no significant or material orders passed by the Regulators/ Courts which would impact the future operations/ going concern status of the Company.

**23. Vigil Mechanism/Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, SEBI (PIT) Regulations, 2015 and SEBI (LODR) Regulations, 2015, the Company has in place a Vigil Mechanism Policy under which the employees are free to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The policy is posted on the website of the Company at <https://www.pacetronix.com/investor-corner/policies/>. It is hereby affirmed by the Board that no personnel have been denied access to the Audit Committee to lodge their grievances.



#### 24. Commission received by directors from holding/subsidiary Company

None of the directors has received any commission from the subsidiary Company during the financial year 2022-2023 and the Company does not have any holding Company.

#### 25. Disclosure of ratio of remuneration of Directors and Key Managerial Personnel

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 is enclosed as **Annexure IV** and forms the part of this Board Report.

#### 26. Particulars of Employees

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, has not been given here.

Further, during the year, none of the employees (other than directors of the Company) along with his spouse and dependent children holds two percent of the equity shares of the Company.

Further the particulars of top ten employees in terms of remuneration drawn required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and name of employees receiving remuneration in excess of that drawn by the Managing Director or Whole-time director is enclosed as **Annexure V** and forms the part of this Board Report.

#### 27. Chief Financial Officer and Managing Director Certification

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Joint Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31<sup>st</sup> March, 2023 which is enclosed as **Annexure VI** and forms the part of this Board Report.

#### 28. 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.

#### 29. Disclosure regarding issue of Employee Stock Options

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

#### 30. 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.

#### 31. Corporate Governance Report

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] the corporate governance provisions as specified in Regulations 17,17A, 18, 19, 20, 21, 22, 23, 24,24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable on the Company as the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs. 25 Crores as on the last day of the immediate previous financial year.

Hence on 9<sup>th</sup> July, 2022 your Company intimated to Stock exchange regarding non applicability of above corporate governance provisions for the financial year 2022-2023. **However your Company has voluntary followed Corporate Governance Practice as far as possible.**



As a good corporate governance practice, your Directors present the Report on Corporate Governance provisions as prescribed under SEBI (LODR) Regulations, 2015 for the year ended 31<sup>st</sup> March 2023 to have more transparency and disclosures, and the same is attached with this report as **Annexure – VII**.

Certificate from Practicing Company Secretary confirming compliance of the Corporate Governance Practice is also attached as **Annexure-VIII** to this Report.

### **32. Management Discussion and Analysis Report**

Management Discussion and Analysis Report in pursuance of requirement of Para B of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure – IX** and forms the part of this Board Report.

### **33. Listing at Stock Exchange**

The Equity shares of the Company are listed on BSE Limited, Mumbai and the Listing Fee for the year 2022-2023 has been duly paid.

The Company has complied with SEBI (LODR) Regulations, 2015 including payment of Annual Listing Fees up to March 31, 2023 to BSE Limited.

### **34. Compliance of Secretarial Standard**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### **35. Insurance**

The Company's assets are adequately insured against the loss of fire and other risks, as consider necessary by the Management from time to time.

### **36. Business Responsibility Sustainability Report**

The Business Responsibility and Sustainability Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to the Company for the financial year ending March 31, 2023.

### **37. Depository System**

The Company's shares are tradable compulsorily in electronic form and the Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Gazette notification dated June 8, 2018 and November 30, 2018, Share transfer shall be mandatorily carried out in dematerialized form only w.e.f from April 1, 2019. In view of the notification, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

### **38. Provision of Voting by Electronic Means through remote e-voting and e-voting at the AGM:**

Your Company is providing E-voting facility as required under section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The ensuing AGM will be conducted through VC/OVAM and no physical meeting will be held and your company has make necessary arrangements with CDSL to provide facility for remote e-voting and e-voting at AGM. The details regarding e-voting facility is being given with the notice of the Annual General Meeting.

### **39. Environment and Safety**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.



#### 40. Industrial Relations

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere, hard work, loyal, 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.

#### 41. Disclosures as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Constitution of Internal Complaints Committee:

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. The Policy has also been posted on the website of the Company and can be accessed through web link <http://www.pacetronix.com/wp-content/uploads/2019/10/Sexual%20Harassment%20Policy.pdf>.

Pursuant to Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Directors has constituted Internal Complaints Committee in the Company for the purpose of redressal of the complaints of the women employees and for rendering all assistance to the woman employee making the complaint.

During the year under review, the Company has not received any grievance/complaint from any women employee.

#### 42. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and their status:

There are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

#### 43. Details of difference between amount of the Valuation done at the time of One Time Settlement and the Valuation done while taking loans from the Banks or Financial Institution along with the reasons thereof:

There are no such events occurred during the period from April 01, 2022 to March 31, 2023, thus no valuation is carried out for the one-time settlement with the Banks or Financial Institutions.

#### 44. Acknowledgements

Your Directors place on record, their sincere appreciation and deep 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 for valuable contribution in the working and growth of the Company.

For and on behalf of the Board of  
**Shree Pacetronix Limited**

Date: 14/08/2023

Place: Pithampur

Atul Kumar Sethi  
Managing Director  
(DIN:00245685)

Akash Sethi  
Joint Managing Director  
(DIN: 08176396)

**ANNEXURE- I**

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 Rupees (INR)]

S. 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 of Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	80,07,000
5.	Reserves & surplus	(12,32,478)
6.	Total Assets	2,03,63,672
7.	Total Liabilities	1,35,89,150
8.	Investments	-
9.	Turnover (includes other income)	20,88,987
10.	Profit before taxation	2,31,299
11.	Provision for taxation	60,790
12.	Profit after taxation	1,20,625
13.	Proposed Dividend	NA
14.	% of shareholding	99.91%

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

**Part "B": Associates and Joint Ventures**

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

- Associates and Joint Ventures: **NA**
- Names of associates or joint ventures which are yet to commence operations: **NA**
- Names of associates or joint ventures which have been liquidated or sold during the year: **NA**

**For S R Naredi & Company**  
**Chartered Accountants**

For and on behalf of the Board of Directors of  
**SHREE PACETRONIX LIMITED**

**CA S R NAREDI**  
**Proprietor**  
**M. No. 072014**  
Date: 14/08/2023  
Place: Indore

**Atul Kumar Sethi**  
Managing Director  
(DIN: 00245685)  
Date: 14/08/2023

**Akash Sethi**  
Joint Managing Director  
(DIN: 08176396)  
Place: Pithampur



**ANNEXURE-II**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**  
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies*  
*(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Shree Pacetronix Limited  
(CIN: L33112MP1988PLC004317)  
Plot No. 15, Sector II, Industrial Area,  
Pithampur, District Dhar (M.P.)-454775

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 us 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 authorised 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, 2023 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 the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; which is not applicable to the Company during the Audit Period.
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021; which is not applicable to the Company during the Audit Period.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is not applicable to the Company during the Audit Period.
  - 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 (Issue and Listing of Non- Convertible Securities) Regulations, 2021; which is not applicable to the Company during the Audit Period.
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; which is not applicable to the Company during the Audit Period
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; which is not applicable to the Company during the Audit Period and
- j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Secretarial Standards issued by The Institute of Company Secretaries of India.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all 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 Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

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.

I further report that during the audit period the Company has not incurred any specific event /action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Indore

Date: 14/08/2023

Signature: \_\_\_\_\_

Shraddha Jain

ACS No: 39488

C P No: 14717

UDIN:A039488E000800391

Peer Review Certificate No.1765\_2022

**Note:** This report is to be read with our Letter of even date which is annexed as Annexure herewith and forms an integral part of this report.



**ANNEXURE to Secretarial Audit Report**

**To,  
The Members,  
Shree Pacetronix Limited  
(CIN: L33112MP1988PLC004317)  
Plot No. 15, Sector II, Industrial Area,  
Pithampur, District Dhar (M.P.)-454775**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore  
Date: 14/08/2023

Signature: \_\_\_\_\_

Shraddha Jain  
ACS No: 39488  
C P No: 14717  
UDIN: A039488E000800391  
Peer Review Certificate No.1765\_2022

**ANNEXURE – III**

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023 is given here below and forms part of the Directors' Report.

**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.
- Up-gradation 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 machines with energy efficient machines.

**ii. The steps taken by the Company for utilizing alternate sources of energy:**

No alternate source used in the financial year 2022-2023.

**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**

Product Improvement, Cost reduction & Product development activities are the ongoing processes in the Company.

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

The Company is using manufacturing technology which is entirely indigenous.

**iv. Expenditure on R&D:**

The Company has made the expenditure towards Research and Development of an amount Rs. 66,81,047/-

**C. Foreign Exchange Earnings and Outgo-**

S.NO	PARTICULARS	Amount in Rupees	
		31.03.2023	31.03.2022
<b>1</b>	Foreign Exchange earned		
	• FOB Value of Exports	4,82,06,339	20,78,123
	<b>TOTAL EARNINGS</b>	<b>4,82,06,339</b>	<b>20,78,123</b>
<b>2</b>	Expenditure in Foreign Exchange:		
	• Foreign travel	30,55,798	8,55,111
	• Fees for Technical Services	-	-
	• Capital Goods	2,78,014	89,320
	• Raw Materials (CIF Value of Imports)	6,13,07,340	1,84,41,348
	• R&D	32,26,481	1,27,208
	• Repair to Machinery	-	54,937
	• Business Promotion	-	-
	<b>TOTAL EXPENDITURE</b>	<b>6,78,67,633</b>	<b>1,95,67,924</b>

**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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-2023, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-2023:

S. No	Name of Director/KMP	Designation	Remuneration of directors/ KMP's for Financial year 2022-2023	Remuneration of directors/ KMP's for financial year 2021-2022	% increase in Remuneration in the financial year	Ratio of remuneration of each director to median remuneration of employees
1.	Mr. Atul Kumar Sethi	Managing Director	27,60,000	27,60,000	0.00%	15.85:1
2.	Mr. Akash Sethi	Joint Managing Director	23,00,000	12,00,000	91.67%	13.21:1
3.	Mr. Sushil Kumar Patni	Non-Executive Independent Director	-	-	-	-
4.	Mr. Mahesh Purohit (Ceased w.e.f.6th May,2022)	Non-Executive Independent Director	-	-	-	-
5.	Mr. Varun Rawat (Ceased w.e.f.6th May,2022)	Non-Executive Independent Director	-	-	-	-
6.	Mr. Rajesh Kumar Bhale (Ceased w.e.f.6th May,2022)	Non-Executive Independent Director	-	-	-	-
4.	Ms. Manali Tongia (Appointed w.e.f. 24 <sup>th</sup> March,2022)	Non-Executive Independent Director	-	-	-	-
5.	Mr. Ashok Atulkar	Chief Financial Officer	2,60,160	2,53,175	2.76%	-
6	Ms. Somya Chhabra w.e.f. 06 <sup>th</sup> May,2022)	Non-Executive Independent Director	-	-	-	-
7.	Mr. Yash Bagora	Company Secretary	2,22,000	-	-	-

**The percentage increase in the median remuneration of employees in the financial year-**

There was a increase in the median remuneration of employees in the financial year by 9.20%.

- i. **The number of permanent employees on the rolls of Company as on March 31, 2023: 59**
- ii. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**



There was increase in Average percentile of the salaries of employees other than the managerial personnel in the financial year i.e. 2022-2023 by 15.09%

The increase in remuneration of Key Managerial Personnel is not solely based on Company's performance but also includes various other factors like individual performance, experience, relevant expertise, skills, academic background, industry trends, economic situation and future growth prospects etc. besides Company's performance and there were no exceptional circumstances for increase in the managerial remuneration in comparison to remuneration of other employees.

iii. 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.

iv. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of  
**Shree Pacetronix Limited**

Date: 14/08/2023

Place: Pithampur

**Atul Kumar Sethi**

Managing Director

(DIN:00245685)

**Akash Sethi**

Joint Managing Director

(DIN: 08176396)

**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 31<sup>st</sup> March,2023

S. N.	NAME	DESIGNATION	REMUNERATION RECEIVED DURING THE FINANCIAL YEAR (IN RS.)	NATURE OF EMPLOYMENT, WHETHER CONTRACTUAL OR OTHERWISE	QUALIFICATION AND EXPERIENCE	DATE OF JOINING	AGE (IN YEARS)	LAST EMPLOYMENT	WHETHER ANY SUCH EMPLOYEE IS A RELATIVE OF ANY DIRECTOR OR MANAGER OF THE COMPANY AND IF SO, NAME OF SUCH DIRECTOR OR MANAGER	THE PERCENTAGE OF EQUITY SHARES HELD BY THE EMPLOYEE IN THE COMPANY
1.	Mr. Atul Kumar Sethi	Managing Director	27,60,000	Contractual	MBA (Marketing) , 26 years	11.01. 1988	61	--	1. Mr. Akash Sethi  2. Mrs. Amita Sethi (Ceased w.e.f. 28 <sup>th</sup> March,2022)	Self :19.60 %  Spouse : 3.20%  Children: 1.45%
2	Mr. Akash Sethi	Joint Managing Director	23,00,000	Contractual	Master of Science, 8 years	14.08. 2018	32	--	1. Mr. Atul Kumar Sethi  2. Mrs. Amita Sethi	Self :0.35 %
3	Mr. Vikas Gokhale (Ceased w.e.f. 28 <sup>th</sup> March,2022)	Technician in R&D dept.	20,40,000	Contractual	M tech, 22 years	30.01. 2012	48	--	--	--
4.	Mr. Mayur Dillip Bhusari	General Manager, Production	7,67,600	Regular	Graduate, 17 years	01.01. 2006	49	--	--	--
5.	Mr. Pradip Tyagi	Assistant Quality control	7,25,040	Regular	Graduate, 15 years	19.03. 2007	37	--	--	--
6.	Mrs. Amita Sethi (Ceased w.e.f. 28 <sup>th</sup> March,2022)	Empolyee	6,00,000	Contractual	MA, 21 years	01.12. 2010	57	--	1. Mr. Atul Kumar Sethi  2. Mr. Akash Sethi	Self : 3.20%  Spouse : 19.60 %  Children: 1.45%
7	Mr. Murtaza Faizee	Regional Sales Manager	5,30,496	Regular	Graduate, 26 years	11.01. 1988	49	--	--	--



8	Mr. Arvind Mishra	Engineer at Tool Room Department	4,96,050	Regular	Post Graduate, 15 years	21.02.2014	37	Man Trucks	--	--
9	Mr. Sumit Chakarbarti	Regional Marketing Manager	4,89,000	Regular	Graduate, 24 years	01.12.1997	66	CADILA	--	--
10	Mr. Neeraj Tiwari	Territory Sales Manager	4,85,000	Regular	B.Sc. Biotechnology 10 years	01.08.2013	32	--	--	--
11	Mr. Vipul Bhatt	C.R.M., Pacemaker Marketing	4,20,000	Regular	B.Sc. Physics, 33 years	15.02.2018	56	Emergent Meditech	--	--
12	Mr. Rabin Chakraborty	Sales Manager	3,96,000	Regular	Graduate, 18 years	01.06.2003	58	--	--	--
13	Mr. Vijay Kumar Soni	Lead Quality Control Manager	3,89,034	Regular	Graduate, 26 years	01.09.1996	47	--	--	--
14	Mr. Rajesh Bhauraoji Wath	Temp Pacemaker Quality Control Manger	3,64,008	Regular	Graduate, 23 years	01.07.1999	52	--	--	--
15	Mr. Krishnakant Pandey	Territory Sales Manager	2,99,460	Regular	M.B.A 14 years	01.04.2009	37	--	--	--

1. All the above employees are permanent employees of the Company.

For and on behalf of the Board of  
**Shree Pacetronix Limited**

Date: 14/08/2023

Place: Pithampur

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

**Akash Sethi**  
Joint Managing Director  
(DIN: 08176396)





## ANNEXURE-VI

### COMPLIANCE CERTIFICATE

[As per Regulation 17 (8) of SEBI (LODR) Regulations, 2015]

To,  
The Board of Directors,  
**Shree Pacetronix Limited**  
Plot No 15, Sector-II,  
Industrial Area,  
Pithampur Dist. Dhar-454775

Dear Members' of the Board,

We, Atul Kumar Sethi, Managing Director and Ashok Atulkar, Chief Financial Officer of Shree Pacetronix Limited, to the best of our knowledge, information and belief, certify that:

1. We have reviewed Audited Financial Statements (Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief:
  - a. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further certify, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.
4. We have indicated to the auditors and the Audit committee that there is:
  - a. No significant change in internal control over financial reporting during the year;
  - b. No significant change in accounting policies during the year under review, and
  - c. No instance of any fraud in the company in which the management or an employee has any role.

For and on behalf of the Board of  
**Shree Pacetronix Limited**

Date: 30/05/2023

Place: Pithampur

**Ashok Atulkar**  
Chief Financial officer

**Atul Kumar Sethi**  
Managing Director



## ANNEXURE-VII

### CORPORATE GOVERNANCE REPORT

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] the corporate governance provisions as specified in Regulations 17,17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable on the Company as the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs. 25 Crores as on the last day of the previous financial year.

Hence on 09<sup>th</sup> July, 2022 your Directors intimated to Stock exchange regarding non applicability of above corporate governance provisions for the financial year 2022-2023.

Provided further that, for the Financial Year 2023-24, your company has intimated to Stock exchange regarding non applicability of above corporate governance provisions on 21<sup>st</sup> July 2023.

However your Company believes in Good Corporate Governance Practices, so the Directors present the Report on Good Corporate Governance for the year ended 31<sup>st</sup> March 2023 to have more transparency and disclosures.

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 and goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate.

#### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance at Shree Pacetronix Limited has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion. The Company firmly believes and has consistently practiced good Corporate Governance.

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all phases of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The Board of Directors of the Company, by considering itself as trustee of its shareholders, aims at maximizing shareholders wealth and protecting the interest of all stakeholders.

#### **2. BOARD OF DIRECTORS**

The Board of Directors along with its committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

**a. Composition & Category**

The Composition of Board of Directors is governed by the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

NAME OF DIRECTOR	CATEGORY
Mr. Akash Sethi	Promoter, Executive Director
Mr. Atul Kumar Sethi	Promoter, Executive Director
Mr. Sushil Kumar Patni	Non- Executive Independent Director
Mr. Mahesh Purohit (Ceased w.e.f. 6 <sup>th</sup> May,2022)#	Non- Executive Independent Director
Mr. Rajesh Kumar Bhale (Ceased w.e.f. 6 <sup>th</sup> May,2022)#6 <sup>th</sup>	Non- Executive Independent Director
Mr. Varun Rawat (Ceased w.e.f. 6 <sup>th</sup> May,2022)#	Non- Executive Independent Director
Ms. Manali Tongia*	Non- Executive Independent Director
Ms. Somya Chhabra**	Non- Executive Independent Director

**Notes:**

# Mr. Mahesh Purohit, Mr. Rajesh Kumar Bhale, Mr. Varun Rawat Non-executive independent directors of the Company has resigned from the Board w.e.f 6<sup>th</sup>May, 2022.

\*Ms. Manali Tongia was appointed as Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. 24<sup>th</sup>March, 2022 and has been approved by the member in the 34<sup>th</sup> Annual General Meeting held on 19<sup>th</sup>August, 2022.

\*\*Ms. Somya Chhabra was appointed as Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. 06<sup>th</sup>May, 2022 and has been approved by the member in the 34<sup>th</sup> Annual General Meeting held on 19<sup>th</sup>August, 2022.

Post 31<sup>st</sup>March, 2023 and as on date of this Report, the Board comprising of the following Directors:

NAME OF DIRECTOR	CATEGORY
Mr. Akash Sethi	Promoter, Executive Director
Mr. Atul Kumar Sethi	Promoter, Executive Director
Mr. Sushil Kumar Patni	Non- Executive Independent Director
Ms. Manali Tongia	Non- Executive Independent Director
Ms. Somya Chhabra*	Non- Executive Independent Director
Mr. Chandragupt Jain**	Non- Executive Independent Director

**Notes:**

\*Ms. Somya Chhabra was appointed as Additional Director in Non- Executive Independent Category on the Board of the company w.e.f.06<sup>th</sup>May, 2022 and has been approved by the member in the 34<sup>th</sup> Annual General Meeting held on 19<sup>th</sup>August, 2022.

\*\* Mr. Chandragupt Jain was appointed as Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. 01<sup>st</sup>August, 2023, subject to approval by the member in the 35<sup>th</sup> Annual General Meeting .

In accordance with the compliances, Board has an optimum combination of Executive & Non-Executive Directors.

Post 31<sup>st</sup>March, 2023 and as on date of this Report, the Board comprising of the following Directors:  
The Board comprised of:



CATEGORY	NO. OF DIRECTORS	PERCENTAGE (%)
<b>Executive Directors</b>	2	33.33
<b>Non- Executive Independent Directors</b>	4	66.66
<b>TOTAL</b>	<b>6</b>	<b>100</b>

All Directors possess relevant qualifications and experience in general corporate management, marketing, finance and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

All Independent Directors of the Company have been appointed as per the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. Independent Directors play an important role in deliberations at the Board Meetings and bring to the Company their wide experience in the field of Business and Industry.

The Company has issued formal letter of appointment to all the Independent Directors on their appointment explaining inter-alia, their roles, responsibilities, terms of appointment, code of conduct, functions and duties. The terms and conditions of their appointment are disclosed on the Company's website at [www.pacetrnix.com](http://www.pacetrnix.com).

All the Independent Directors (IDs) of the Company, have given a declaration affirming compliance to the criteria of independence pursuant to Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. These were placed before the Board. The Board, based on the declaration(s) received from the IDs, have verified the veracity of such disclosures and confirmed that the IDs fulfil the conditions of Independence specified in the SEBI (LODR) Regulations, 2015 and are independent of the management of the Company.

In the opinion of the Board, each Independent Director possesses appropriate balance of skills, experience and knowledge, as required.

**b. Details of Directors of the Company who holds Directorship in another Company:**

NAME OF DIRECTOR	NAME OF THE COMPANY	CATEGORY	DESIGNATION
<b>Atul Kumar Sethi</b>	Shree Coratomic Limited	Public Unlisted Company	Director
<b>Akash Sethi</b>	Shree Coratomic Limited	Public Unlisted Company	Director
<b>Sushil Kumar Patni</b>	Shree Coratomic Limited	Public Unlisted Company	Director

**c. The Names of Other Listed Entities where the Directors have Directorship and their Category of Directorship in such Listed Entities:** None of the Director is holding Directorship in any other listed Company.

**d. Reason of Resignation of Independent Directors:**

Mr. Mahesh Purohit, Mr. Rajesh Kumar Bhale, Mr. Varun Rawat resigned from the post of Independent Non-Executive Directors w.e.f. 06<sup>th</sup> May, 2022. The said resignation was due to preoccupation elsewhere and they were not in position to devote their time to the affairs of the Company. Further, the said directors have also confirmed that there is no material reason for resignation, other than mentioned in resignation letter.

**e. Key Board Qualifications, Expertise and Attributes**

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:



1. Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and knowledge in relation to Company's business.

#### DIRECTORS HAVING SUCH SKILL AND COMPETENCIES

NAME OF DIRECTORS	SKILLS				
	Knowledge on Company's businesses etc.	Behavioural skills	Business Strategy, Sales & Marketing etc	Financial and Management skills	Technical/ Professional skills etc.
Mr. Atul Kumar Sethi	Yes	Yes	Yes	Yes	Yes
Mr. Akash Sethi	Yes	Yes	Yes	Yes	Yes
Mr. Sushil Kumar Patni	Yes	Yes	Yes	Yes	Yes
Mr. Mahesh Purohit (Ceased w.e.f. 06 <sup>th</sup> May,2022)	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh Kumar Bhale (Ceased w.e.f. 06 <sup>th</sup> May,2022)	Yes	Yes	Yes	Yes	Yes
Mr. Varun Rawat (Ceased w.e.f. 06 <sup>th</sup> May,2022)	Yes	Yes	Yes	Yes	Yes
Ms. Manali Tongia	Yes	Yes	Yes	Yes	Yes
Ms. Somya Chhabra *	Yes	Yes	Yes	Yes	Yes
Mr. Chandragupt Jain**	Yes	Yes	Yes	Yes	Yes

#### Notes:

\*Ms. Somya Chhabra was appointed as Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. 06<sup>th</sup>May, 2022 and has been approved by the member in the 34<sup>th</sup> Annual General Meeting held on 19<sup>th</sup>August, 2022.

\*\* Mr. Chandragupt Jain was appointed as Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. 1<sup>st</sup>August, 2023, subject to approval by the member in this 35<sup>th</sup> Annual General Meeting.

The Board is satisfied that the current an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

**f. Board Procedure and its Meetings**

The Board meets at least once in every quarter to review the results and other items on the agenda. The agenda is circulated well in advance to the Board/Committee members, along with comprehensive background information on the items in the agenda to enable the Board and Committees to arrive at appropriate decisions.

The Board in its meeting reviews the existing policies and programmes and also formulates various strategies for the betterment of the Company and enhancement of stakeholder's value. The Board considers matters relating to business, production, finance, marketing, personnel, materials and general administration also. The intervening gap between the two Board meetings was in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

During the Financial year, the Board met 09 (Nine) times on:

*05<sup>th</sup> May 2022, 30<sup>th</sup> May, 2022, 21<sup>st</sup> July 2022, 13<sup>th</sup> August 2022, 30<sup>th</sup> August 2022, 05<sup>th</sup> September, 2022, 04<sup>th</sup> November, 2022, 14<sup>th</sup> November, 2022 and 13<sup>th</sup> February, 2023.*

**g. Details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/ Membership of Board Committees showing the position as at 31<sup>st</sup> March, 2023 are given in the following table:**

Name of the Director	Category	Attendance at Board Meetings attended during 2022-2023	Attendance at last AGM held on 19 <sup>th</sup> august 2022	No. of Directorships (including this company)	No. of Committee Membership Position (including this Company)		Share Holding
					As Chairman	As Member	
Mr. Atul Kumar Sethi (DIN: 00245685)	Promoter, Executive Director	9	Yes	2	-	1	705506
Mr. Akash Sethi (DIN: 08176396)	Promoter, Executive Director	9	Yes	2	-	-	12699
Mr. Sushil Kumar Patni (DIN: 00245754)	Non-Executive Independent Director	9	Yes	2	3	-	-
Mr. Mahesh Purohit (DIN:07560407) (Ceased w.e.f 6 <sup>th</sup> May 2022)	Non-Executive Independent Director	1	NA	0	0	0	-
Mr. Rajesh Kumar Bhale (DIN: 01933024) ( Ceased w.e.f 6 <sup>th</sup> May 2022)	Non-Executive Independent Director	1	NA	0	0	0	-
Mr. Varun Rawat (DIN: 08203524) ( Ceased w.e.f 6 <sup>th</sup> May 2022)	Non-Executive Independent Director	1	NA	0	0	0	-
Ms. Manali Tongia (DIN:09542172)	Non-Executive Independent Woman Director	9	Yes	1	-	-	-
Ms. Somya Chhabra (DIN:09597296 ) (Appointed w.e.f 6 <sup>th</sup> May 2022 )	Non-Executive Independent Woman Director	8	Yes	1	-	2	-

**Note:** Committee membership(s) and Chairmanship(s) are counted separately.





#### h. Separate Meeting of Independent Directors

Pursuant to the Regulation 25(3) of the SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on **Monday, 13<sup>th</sup> February, 2023** without the attendance of non-independent directors and members of management. They discussed following at the meeting:

- Reviewed and evaluated the performance of Non-Independent Directors.
- Reviewed the performance of the Board of Directors as a whole.
- Assessed the quality, quantity and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and necessarily perform its duties.

All the independent directors were present at the meeting.

#### i. Familiarization Programme

The Company has adopted a policy on familiarization program for Independent Directors with the objective of familiarizing them with the Company, its operations, Business Model, Business Strategy, nature of the industry and environment in which it operates, the regulatory environment applicable to it, and also the roles, rights and responsibilities of Independent Directors. The policy can be accessed at <http://www.pacetronix.com/investor-corner/policies/>

#### j. Inter-se relationship among directors

Mr. Akash Sethi, Joint Managing Director of the Company, is son of Mr. Atul Kumar Sethi, Managing Director of the Company & Mrs. Amita Sethi. Except them, there are no relationships between the Directors of the Company, inter-se.

#### k. Note on Directors Appointment/ Re-appointment

Member at the 34<sup>th</sup> Annual General Meeting of the Company held on 19<sup>th</sup> August 2022 approved the re-appointment of Mr. Atul Kumar Sethi (DIN: 00245685) as the Managing Director of the Company for a further term of 3 years i.e. 1<sup>st</sup> December 2022 to 30<sup>th</sup> November 2025. Further approved the appointment of Ms. Manali Tongia (DIN: 09542172) and Ms. Somya Chhabra (DIN: 09597296) as an independent director of the Company.

### 1. COMMITTEES OF THE BOARD

**Board has three Committees, viz:**

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

The above said Committees consist of majority of 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

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. All the members of the committee are financially literate and have accounting and financial management expertise.

#### i. Terms of reference

The terms of reference of the Audit Committee includes the matters specified in Part C of Schedule II to the SEBI (LODR) Regulations, 2015 and also as required under Section 177 of the Companies Act, 2013 which includes oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties, review report of the internal auditor etc.

**ii. Composition and Meetings:**

The Audit Committee comprised of 3 (three) Directors, all of them are Independent Directors. The Audit Committee is chaired by Mr. Sushil Kumar Patni who is an independent director.

During the financial year ended on 31<sup>st</sup> March, 2023, 7 (Seven) Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

*05<sup>th</sup> May, 2022, 30<sup>th</sup> May, 2022, 21<sup>st</sup> July, 2022, 13<sup>th</sup> August 2022, 30<sup>th</sup> August 2022, 14<sup>th</sup> November, 2022 and 13<sup>th</sup> February, 2023.*

The Composition and attendance record of the members at the meeting is as under:

NAME	CATEGORY	NUMBER OF MEETINGS	
		ELIGIBLE TO ATTEND	ATTENDED
Mr. Sushil Kumar Patni (DIN: 00245754)	Chairman, Independent Director	7	7
Ms. Manali Tongia* (DIN: 09542172)	Member, Independent Director	6	6
Ms. Somya Chhabra * (DIN: 09597296)	Member, Independent Director	6	6
Mr. Mahesh Purohit# (DIN: 07560407)	Member, Independent Director	1	1
Mr. Rajesh Kumar Bhale# (DIN: 01933024)	Member, Independent Director	1	1

\*Ms. Manali Tongia was appointed as an Additional Director in Non- Executive Independent Category effective from March 24, 2022 and Ms. Somya Chhabra appointed as an Additional Director in Non- Executive Independent Category effective from May 06, 2022.

Ms. Manali Tongia and Ms. Somya Chhabra were introduced in Audit Committee as member in its meeting held on May 05, 2022 and were invitees to the meeting.

Mr. Mahesh Purohit and Mr. Rajesh Kumar Bhale resigned from the Directorship in its meeting held on May 05, 2022.

We hereby confirm composition of the Audit Committee is in line with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations.

**b. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 178(1) of the Companies Act, 2013.

**i. Terms of reference**

The terms of reference of the Nomination and Remuneration Committee includes the matters specified in Part D of Schedule II to the SEBI (LODR) Regulations, 2015 which broadly includes determination and recommendation for appointment/removal of Executive, Non-Executive and Independent Directors to the Board etc.

**ii. Composition and Meetings**



The Nomination and Remuneration Committee comprised of 3 (three) Directors, all of them are Independent Directors. The Committee is chaired by Mr. Sushil Kumar Patni who is an independent director.

During the financial year ended on 31<sup>st</sup> March, 2023, 2 (Two) Nomination and Remuneration Committee Meetings were held and the dates on which the said meetings were held are as follows:

**05<sup>th</sup> May 2022 and 21<sup>st</sup> July 2022.**

The composition and attendance record of the members at the meeting is as under:

NAME	CATEGORY	NUMBER OF MEETINGS	
		ELIGIBLE TO ATTEND	ATTENDED
Mr. Sushil Kumar Patni (DIN: 00245754)	Chairman, Independent Director	2	2
Ms. Manali Tongia* (DIN: 09542172)	Member, Independent Director	1	1
Ms. Somya Chhabra* (DIN:09597296)	Member, Independent Director	1	1
Mr. Mahesh Purohit# (DIN: 07560407)	Member, Independent Director	1	1
Mr. Rajesh Kumar Bhale# (DIN: 01933024)	Member, Independent Director	1	1

\*Ms. Manali Tongia was appointed as an Additional Director in Non- Executive Independent Category effective from March 24, 2022 and Ms. Somya Chhabra appointed as an Additional Director in Non- Executive Independent Category effective from May 06, 2022.

Ms. Manali Tongia and Ms. Somya Chhabra were introduced in Nomination and Remuneration Committee as member in its meeting held on May 05, 2022 and were invitees to the meeting.

Mr. Mahesh Purohit and Mr. Rajesh Kumar Bhale resigned from the Directorship in its meeting held on May 05, 2022.

We hereby confirm composition of the Nomination and Remuneration Committee is in line with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

### iii. Criteria for performance evaluation

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors including Independent Directors and Board as a Whole.

The criteria for performance evaluation are as under:

#### **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 functions and responsibilities prescribed under law, monitoring the effectiveness of corporate governance practices, 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 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, abides by the legal obligations and code of conduct, maintaining high level of confidentiality, compliance with regulatory requirements, monitor the performance of management and satisfy himself with integrity of the financial controls.

**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.

**For Board Committee:**

The criteria for evaluation of the Board Committee, inter alia, includes-Constitution of Committee, the terms of reference, independence of the Committee, reporting the Committees to the Board, Reviews its mandate and performance, proactive measures to perform its functions, suggestion and recommendation of committee, fulfillment of its functions as assigned by the Board, frequency of the Committee meetings, adequacy of attendance and participation in the Committee meetings, discussions and decision making.

**iv. Remuneration of Directors**➤ **Transactions with Non-executive Directors**

The non-executive directors of the Company do not have any material pecuniary relationship or transactions vis-à-vis Company. The Company is neither paying any remuneration to the Non-Executive/Independent Directors nor sitting fees for attending the Board meetings.

➤ **Criteria for making payment**

As per the Nomination and Remuneration Policy of the Company which is placed on the Company's website at [www.pacetronix.com](http://www.pacetronix.com).

➤ **Remuneration to Executive Directors**

During the financial year, there were only 2 (Two) directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration to the Executive Directors are as follows:

**In Rupees(Rs.)**

NAME OF DIRECTORS	DESIGNATION	SALARY P.A.	BENEFITS	COMMISSION	BONUS	TOTAL
Mr. Atul Kumar Sethi DIN: 00245685	Managing Director	27,60,000	-	-	-	27,60,000
Mr. Akash Sethi DIN: 08176396	Joint Managing Director	23,00,000	-	-	-	23,00,000

- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its Director/employees.
- No sitting Fees for attending the Board Meeting and/or Committee Meetings was paid to any Director of the Company during the financial year.
- The Company is not paying any remuneration to the Non-Executive/Independent Directors.

**c. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee is constituted in accordance with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 178 of the Act.

**i. Terms of reference**

The Board has set up a Stakeholders Relationship Committee to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

**ii. Composition and Meetings**

The Stakeholders Relationship Committee comprised of 3 (Three) Directors, out of which 2 (two) directors are Independent Directors and one Director is Executive Director. The Committee is chaired by Mr. Sushil Kumar Patni who is an independent director.

During the financial year ended 31st March, 2023, 6 (Six) Stakeholders Relationship Committee Meetings were held and the dates on which the said meetings were held are as follows:

**05<sup>th</sup> May, 2022, 30<sup>th</sup> May, 2022, 13<sup>th</sup> August, 2022, 11<sup>th</sup> October, 2022, 14<sup>th</sup> November, 2022 and 13<sup>th</sup> February 2023.**

The composition and attendance record of the members at the meeting is as under:

NAME	CATEGORY	NUMBER OF MEETINGS	
		ELIGIBLE TO ATTEND	ATTENDED
Mr. Sushil Kumar Patni (DIN: 00245754)	Chairman, Independent Director	6	6
Mr. Atul Kumar Sethi (DIN: 00245685)	Member, Executive Director	6	6
Ms. Manali Tongia (DIN:09542172)	Member, Independent Director	5	5
Mr. Mahesh Purohit# (DIN: 07560407)	Member, Independent Director	1	1

\*Ms. Manali Tongia was appointed as an Additional Director in Non- Executive Independent Category effective from March 24, 2022.

Ms. Manali Tongia was introduced in Nomination and Remuneration Committee as member in its meeting held on May 05, 2022 and was invitees to the meeting.

Mr. Mahesh Purohit resigned from the Directorship in its meeting held on May 05, 2022.

Details of the Complaints received to the Registrar and Share Transfer Agent of the Company are as below:

S. NO	PARTICULARS OF INVESTOR GRIEVANCES	NO. OF INVESTORS GRIEVANCES
1.	Complaints received during the Year	10
2.	Complaints disposed of during the Year	10
3.	Complaints pending at the end of the Year	0

Mr. Yash Bagora, Company Secretary is the general compliance officer of the Company except specifically provided otherwise for specific purposes.



**2. GENERAL BODY MEETINGS**

a. Details of the General Body Meetings held during last three years:

AGM/EGM	DATE	VENUE	TIME	WHETHER ANY SPECIAL BUSINESS TRANSACTED?
34 <sup>th</sup> AGM	19th August 2022	Video Conferencing (VC) or Other Audio Video Means (OAVM) for which purposes the registered office of the company was deemed as the venue for the Meeting.	11:30 AM	Yes
33 <sup>rd</sup> AGM	29th September 2021	Video Conferencing (VC) or Other Audio Video Means (OAVM) for which purposes the registered office of the company was deemed as the venue for the Meeting.	11:30 AM	No
32 <sup>nd</sup> AGM	29th September 2020	Video Conferencing (VC) or Other Audio Video Means (OAVM) for which purposes the registered office of the company was deemed as the venue for the Meeting.	11:30 AM	Yes

b. No Extra-ordinary General Meeting of the shareholders was held during the year.

c. No special resolutions were passed during 2021-2022 and 2020-2021 through postal ballot.

d. At present there is no proposal to pass any special resolution through postal ballot.

**3. MEANS OF COMMUNICATION****a. Quarterly, Half Yearly and Annual Financial Results**

The Board of Directors of the Company approves and takes on record the Quarterly, Half Yearly and Yearly Financial Results within 45/60 days of the end of the respective quarter in the proforma prescribed by SEBI (LODR) Regulations, 2015.

**Newspaper publications on Financial Results**

The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the SEBI (LODR) Regulations, 2015 in English and Hindi newspapers.

**b. Website**

The Company's website [www.pacetronix.com](http://www.pacetronix.com) contains a dedicated segment called 'Investors Corner', where all the information as may be required by the Shareholders is available including quarterly results, shareholding pattern, stock exchange disclosures, Annual Reports, Subsidiary Financials, Policies, additional disclosures, etc. in accordance with Regulation 46 and other prescribed regulations of SEBI (LODR) Regulations 2015.

**c. Official Media releases and presentations made to Institutional Investors/Financial Analysts:**

No official media releases and presentations are made by the Company.



**4. GENERAL SHAREHOLDERS INFORMATION****a. Annual General Meeting**

On Friday, 15<sup>th</sup> September, 2023 at 11:30 A.M.(IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") for which purposes at the registered office of the Company situated at **Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar, Madhya Pradesh, 454775** shall be deemed as the venue for the meeting.

**b. Financial Year:** 1<sup>st</sup> April to 31<sup>st</sup> March.**c. Financial Calendar**

Results for the Quarter ending 30th June, 2023:

Results for the Quarter ending 30th September, 2023:

Results for the Quarter ending 31st December, 2023:

Results for the Quarter ending 31st March, 2024:

**(Tentative)**

First Fortnight of August, 2023

First Fortnight of November, 2023

First Fortnight of February, 2024

Last week of May, 2024

**d. Dividend**

The Board of Directors of the Company has not declared any dividend on equity share for the financial year 2022-2023.

**e. Book Closure**

From Saturday, 09<sup>th</sup> September, 2023 to Friday, 15<sup>th</sup> September, 2023 (both days inclusive) for the purpose of 35<sup>th</sup> AGM of the Company

**f. Listing:**

i. **Stock Exchange :** BSE Limited

ii. **Stock Code:** 527005

iii. **ISIN No.:** INE847D01010

iv. Listing Fees has been paid for financial year 2022-2023.

**g. Plant Location :** **Shree Pacetronix Limited**

CIN: L33112MP1988PLC004317

Plot No. 15, Sector II, Industrial Area,  
Pithampur, District Dhar (M.P.)

Pin code: 454775

Phone: 07292-411105,

Fax: 07292-400418

Email: [pacetronix@hotmail.com](mailto:pacetronix@hotmail.com)**h. Investor Correspondence Address:****1. Registrars and Share Transfer Agents****Ankit Consultancy Private Limited**

60, Electronics Complex, Pardesipura,

Indore (M.P.) - 452010

Phone- 0731-4065799 /97

Fax- 0731-4065798

E Mail Id: [compliance@ankitonline.com](mailto:compliance@ankitonline.com), [investor@ankitonline.com](mailto:investor@ankitonline.com)**2. Compliance Officer/ Company Secretary****Shree Pacetronix Limited**

Plot No. 15, Sector II, Industrial Area,

Pithampur, District Dhar (M.P.) - 454775

Phone: 07292-411105

Fax: 07292-400418

Email: [pacetronix@hotmail.com](mailto:pacetronix@hotmail.com)

**i. Stock Market Data:**

Monthly High/Low/Close during each month at the BSE in the Financial Year 2022-2023:

**In Rupees (Rs.)**

YEAR	HIGH	LOW	CLOSE
March 2023	113.70	90.10	97.60
February 2023	124.20	88.45	103.55
January 2023	114.15	87.50	95.35
December 2022	137.95	98.00	101.75
November 2022	197.00	107.35	124.45
October 2022	121.65	57.00	121.65
September 2022	68.25	47.50	61.95
August 2022	47.85	27.30	47.85
July 2022	28.90	18.10	28.90
June 2022	22.05	17.85	19.00
May 2022	20.25	16.65	20.15
April 2022	22.40	18.40	21.30

**j. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc;**

**k. Registrars and Share Transfer Agent**
**Ankit Consultancy Private Limited**

(SEBI Reg. No. INR 000000767)

 60, Electronics Complex, Pardesipura,  
 Indore (M.P.)

Pin code: 452010

Phone- 0731- 4065799 /97

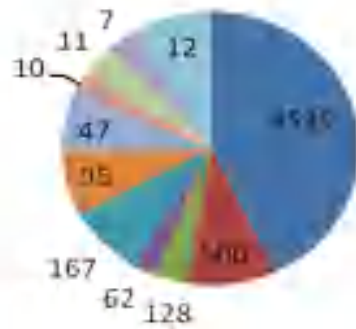
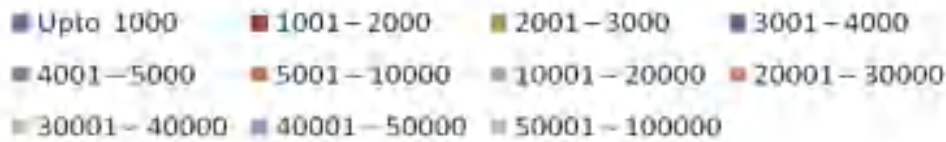
Fax- 0731-4065798

 E mail Id: [compliance@ankitonline.com](mailto:compliance@ankitonline.com), [investor@ankitonline.com](mailto:investor@ankitonline.com)
**l. Share Transfer System:**

To expedite the process of share transfer, transmission, split, consolidation, dematerialization, redressal of the shareholder's grievances in this respect, the Board of Directors have delegated the powers in respect of these matters to its Registrar and Share transfer Agent (RTA) – Ankit Consultancy Private Limited. Trading in Ordinary (Equity) Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. The Stakeholders Relationship Committee meets as and when required to, inter alia, consider the issue of duplicate share certificates/transmission case and attend to Shareholders' grievances, etc.

**m. Distribution of shareholding as on 31<sup>st</sup> March, 2023**

SHAREHOLDING OF NOMINAL VALUE OF	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL		SHARE AMOUNT IN RS.	PERCENTAGE OF TOTAL
		Rs.	Rs.		
UPTO 1000	4539	81.11		4257650	11.83
1001 – 2000	500	8.93		977070	2.71
2001 – 3000	128	2.29		371310	1.03
3001 – 4000	62	1.11		238730	0.66
4001 -- 5000	167	2.98		831850	2.31
5001 -- 10000	95	1.70		747320	2.08
10001 -- 20000	47	0.84		702560	1.95
20001 -- 30000	10	0.18		240140	0.67
30001 -- 40000	11	0.20		383980	1.07
40001 -- 50000	7	0.13		323120	0.90
50001 -- 100000	12	0.21		877510	2.44
100000 ABOVE	18	0.32		26042760	72.35
<b>TOTAL</b>	<b>5596</b>	<b>100</b>		<b>35994000</b>	<b>100</b>


**n. Dematerialization of shares as on 31.03.2023:**

Trading in Company's equity shares is facilitated compulsorily in dematerialized form as per notification issued by SEBI. The break-up of holding of equity shares in physical and demat form as on 31 March, 2023 is as follows:

CATEGORY	NO. OF EQUITY SHARES OF RS. 10/- EACH	PERCENTAGE (%)
Total number of Demated shares with NSDL	22,15,060	61.53
Total number of Demated shares with CDSL	6,98,361	19.40
Physical	6,85,979	19.05
<b>TOTAL</b>	<b>35,99,400</b>	<b>100</b>

Shareholders, who continue to hold their equity shares in physical form are requested to dematerialize their shares at the earliest and avail various benefits of dealing in securities in electronic/dematerialized form. Further w.e.f 1<sup>st</sup> April, 2019 shares of the Company can only be deal in demat form.

**o. Shareholding Pattern as on 31st March, 2023**

S.N O	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
1.	Promoters & Promoter Group	872756	24.25
2.	Indian Corporate Bodies	427054	11.86
3.	Indian Public	1586361	44.08
4.	NRIs/OCBs	693066	19.26
5.	Clearing Member	2100	0.06
6.	HUF	8144	0.23
7.	Foreign National	9919	0.28
TOTAL		<b>35,99,400</b>	<b>100.00</b>



**p. Outstanding GDR's /ADR's /Warrant's /Convertible instruments and their impact on equity**  
The Company has not issued any GDRs/ADRs/Warrants or any convertible Instruments.

**q. Commodity price risk or foreign exchange risk and hedging activities**

The Company does not deal in any commodity or foreign exchange; hence it is not directly exposed to any commodity price risk or foreign exchange risk and hedging activities.

**r. List of Credit Ratings obtained by the Company along with any revisions theretoduring the relevant financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad :Not Applicable**

**5. OTHER DISCLOSURES:****a. Related Party Transactions**

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Further details of related party transactions are as per Indian Accounting Standards (Ind AS 24) and are presented in Note-37 to Financial Statement forming part of this Annual Report.

The Company has also formulated a Policy on Related Party Transactions which has been posted on the website of the Company and can be accessed through web link <http://www.pacetronix.com/investor-corner/policies/>

**b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.**

There were no such instance.

**c. Vigil Mechanism/ Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism Policy under which the employees are free to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The same is posted on the website of the Company at <https://www.pacetronix.com/investor-corner/policies/>. It is hereby affirmed by the Board that no personnel have been denied access to the Audit Committee to lodge their grievances.

**d. Compliance with mandatory requirements**

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015 during the year. The Company has not adopted any of the non-mandatory requirements of SEBI (LODR) Regulations, 2015. However, the Company has followed Corporate Governance provisions as far as possible.

**e. Disclosure of commodity price risks and commodity hedging activities**

The Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

**f. Disclosure of Accounting Treatment**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133, as applicable along with other relevant provisions of the Act.

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

**g. Disclosure of Subsidiaries**

The Company has 1 (one) unlisted Indian Public Company – Shree Coratomic Limited as its subsidiary as on 31<sup>st</sup> March 2023. The detail of subsidiary is provided in detailed manner in Directors' Report.

The performance of the subsidiary is monitored by the Company inter alia, by the following means:

- The Audit Committee reviews the financial statements of subsidiary, including the investments made by the subsidiary, if any, on a regular basis.
- Minutes of Board meetings of unlisted subsidiary are placed before the Board on a quarterly basis;
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary is placed before the Company's Board on a quarterly basis.

Pursuant to the requirements of the SEBI (LODR) Regulations, 2015, the Company has adopted a policy for determining material subsidiaries. The policy is available on the Company's website at:

<http://www.pacetronix.com/investor-corner/policies/>.



Further, the annual accounts and related documents of the subsidiary company shall be kept open for inspection at the registered office of the company. Further, pursuant to IND AS 24 issued by the Institute of Chartered Accountants of India, Consolidated financial statements presented by the Company in this Annual Report include the financial information of its subsidiary.

#### **6. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis is a part of the Annual report and annexed separately.

#### **7. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

The Company does not have any shares in the demat suspense account/unclaimed suspense account.

8. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations: **NIL. Further the Corporate Governance Provisions as specified in SEBI (LODR) Regulations, 2015 are not applicable to the Company**

9. Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted. **NIL**

10. Regulations 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015 are not applicable to the Company. However, the Company has complied with Corporate governance provisions as far as possible.

#### **11. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015 and as amended from time to time, the Company has placed Code of Conduct for prohibition of Insider Trading on its website <http://www.pacetronix.com/investor-corner/policies/>.

This code is applicable and binding on all the directors, designated persons and other connected persons of the Company. The code ensures that the specified persons 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.

#### **12. CODE OF CONDUCT**

In accordance with Regulation 17(5) of the SEBI Listing Regulations, 2015, the Company has adopted Code of Conduct for all the Board Members and senior management personnel including the code of conduct for Non-Executive Independent Directors and this code is available on Company's website at <http://www.pacetronix.com/investor-corner/policies/>. All Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2023. A declaration signed by the Managing Director to this effect is given below.

#### **Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Atul Kumar Sethi, Managing Director of the Company hereby confirm that the Company has received declarations from all Board Members and Senior Management Personnel of the Company affirming compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2023.

The Code is available on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com)

Date: 30/05/2023  
Place: Pithampur

Signature \_\_\_\_\_  
Atul Kumar Sethi  
Managing Director  
(DIN- 00245685)



**13. TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY AND ITS SUBSIDIARY ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR**

The Company has paid Total fees of Rs. 2,30,000/- (Rupees Two Lakh Thirty Thousand only) for financial year 2022-2023 for all services, to the Statutory Auditor of the Company.

Further, the Subsidiary Company has paid total fees of Rs. 35,000 (Rupees Thirty Five Thousand Only) to Statutory Auditor of the Subsidiary Company for financial year 2022-2023 for all services.

**14. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46:**

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V are not applicable on the Company. Hence on 9<sup>th</sup> July, 2022 your Directors intimated to Stock exchange regarding non applicability of above corporate governance provisions. However your Company has voluntary followed Corporate Governance Practice as far as possible.

**15. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE REGARDING NON-DEBARMENT AND NON-DISQUALIFICATION OF DIRECTORS**

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority, is annexed as **Annexure X** to this Report.

**16. SEXUAL HARASSMENT POLICY**

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. The Policy is also available on the Company's website, at <http://www.pacetronix.com/investor-corner/policies/>. An Internal Complaint Committee has been set up to redress complaints received regarding sexual harassment. During the year no complaints of Sexual Harassment were received.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed during the financial year: **Nil**
- b. Number of complaints disposed of during the financial year: **Nil**
- c. Number of complaints pending as on end of the financial year: **Nil**

17. The Company has not made any preferential allotment or qualified institutions placement during the year under review and therefore, disclosure of details of utilization of funds raised through such sources is not applicable on the Company.

For and on behalf of the Board of  
**Shree Pacetronix Limited**

Date: 14/08/2023

Place: Pithampur

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

**Akash Sethi**  
Joint Managing Director  
(DIN: 08176396)



## **ANNEXURE-VIII**

### **CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

**To the Members of  
Shree Pacetronix Limited**

Plot No. 15, Sector-II, Industrial Area,  
Pithampur, District Dhar,  
Madhya Pradesh, 454775

I have examined the compliance of conditions of Corporate Governance by **Shree Pacetronix Limited** (hereinafter called "the Company"), for the financial year ended on March 31, 2023 as specified in Regulations 17 to 27 and Clause (b) to (i) and (t) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "SEBI (LODR) Regulations, 2015"] for the period from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023.

As per Regulation 15 of SEBI (LODR) Regulations, 2015 the corporate governance provisions as specified above are not applicable on the Company and the Company intimated to Stock exchange on 9<sup>th</sup> July, 2022 regarding non-applicability of specified corporate governance provisions for the financial year 2022-2023. However, this certificate is presented to have more transparency and disclosures.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the good Corporate Governance practices as stipulated in SEBI (LODR) Regulations, 2015 as far as possible.

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

Place: Indore

Date: 14<sup>th</sup> August, 2023

Signature: \_\_\_\_\_

**Shraddha Jain**

**ACS No: 39488**

**C P No: 14717**

**UDIN:A039488E000800435**

**Peer Review Certificate No:1765\_2022**



## ANNEXURE-IX

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### CAVEAT

Shareholders are cautioned that certain data and information in the report is external to the Company and is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management here in contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Shareholders are hence advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events, or otherwise.

#### GLOBAL MARKET

The global market for medical device companies is definitely a promising one. As advancements in technology and healthcare continue to evolve, the demand for innovative medical devices is on the rise.

In recent years, the medical device industry has experienced significant growth, driven by factors such as an aging population, increased prevalence of chronic diseases, and a growing focus on personalized medicine. This has created a vast market with ample opportunities for companies to make their mark.

Additionally, emerging markets, such as India, are also contributing to the growth of the medical equipment industry. These regions are witnessing an increase in healthcare spending and infrastructure development, creating a demand for modern medical equipment.

India is the 4th largest Asian medical devices market after Japan, China, and South Korea, and among the top 20 medical devices markets globally.

To increase export of medical devices in the country, the Ministry of Health and Family Welfare (MOHFW) and Central Drugs Standard Control Organisation (CDSCO) implemented the following initiatives:

The medical devices industry in India consists of large multinationals as well as small and medium enterprises (SMEs) growing at an unprecedented scale.

The medical devices market in India has the potential to increase at a 37% CAGR and reach \$50 bn by 2025. The current market size of the medical devices industry in India is estimated at nearly \$11 bn.

According to the World Health Organization, an estimated 17.9 million people die due to cardiovascular diseases worldwide, each year. This represents 31% of global deaths, which are majorly due to heart attack and stroke. Thus, the growing burden of cardiovascular diseases globally, along with the technological advancements in the development of novel pacemakers, is expected to drive the cardiac pacemakers market growth over the forecast period.

Furthermore, Indian pacemaker market was valued at USD 223.55 million in 2018 and is expected to attain USD 437.56 million by 2026, at a CAGR of 8.9%.

**GROWTH DRIVERS / OPPORTUNITIES**

The opportunity in the global market for pacemakers is tremendous and promising. With the increasing prevalence of cardiac diseases and the growing geriatric population worldwide, the demand for pacemakers is expected to rise in the coming years.

The Company is one among the Corporates which is operating in global market for Pacemaker. Pacemakers are medical devices that are used to impart electrical pulses to the heart, so as to ensure normal heart rate. Pacemakers are used to treat patients who are suffering from heart conditions, such as heart failure and arrhythmias. These devices are implanted under patient's chest by cardiologist to deal with various indications and used for the treatment of heart medical complications/conditions.

The cardiac pacemaker market is being aided by the growing pacemaker market, which reached a volume of about 1.27 million units in 2020. The pacemaker industry is further expected to grow at a CAGR of 2% in the forecast period of 2022-2027 to reach a volume of approximately 1.44 million units by 2026.

Cardiac Pacemaker Market in India is expected to grow at a healthy rate as people are becoming more aware and cardiac pacemakers are also becoming more user friendly with added features. Also, cardiac pacemakers have become more affordable helping the market to grow even further.

The Pacemaker market is driven by the factors, such as the increase in prevalence of cardiovascular diseases, the prevalence of heart disease, Aging Population, changing demographics i.e. as more people reach close to sixty years of age they are likely to develop some heart complications thus increasing the demand for cardiac pacemakers, technological developments in pacemakers that minimize the chances of heart failure, and improved efficiency of devices. Additionally, assistance from government bodies, favourable reimbursement Policies, increased government expenditure for research and development, is expected to enhance the market potential in several countries. Therefore, such initiatives from the government are expected to help the market and the patients in their treatment which will drive the Pacemakers market growth also.

Further, compared to other western countries penetration of cardiac pacemaker is less in India-hence, providing ample opportunities for growth for the manufacturers.

The Government of India has allocated Rs. 89,155 crore in union budget for the pharmaceutical and healthcare sector under the Union Budget 2023-2024. 'Atma Nirbhar' Bharat mission is providing an impetus to India's vision of becoming a global manufacturing hub for medical devices. Recent initiatives for instance, The Production Linked Incentive Scheme (PLI) and Promotion of Medical Devices Parks Scheme are a testimony to this.

**RESTRAINTS, THREATS, RISK AND CONCERNS:**

The medical device industry market is very dynamic and the key drivers impacting this sector are healthcare expenditure, technological development, aging population, and chronic diseases. Further emerging trends that impact the medical device industry include the changing medical technology landscape, software as a differentiator in medical devices, as well as design and manufacturing of patient portable or smaller devices. Stringent government rules and regulations for the development & manufacture of medical devices could hinder the growth of the market.

The healthcare supplies industry continues to face significant challenges both in India and internationally with the volume and complexity of change having greatly intensified the implication of risk. Regulatory risks, which are an inherent threat in the industry, are compounded by evolving regulations, new legislation and increased enforcement. To provide affordable healthcare, the Company will fully cooperate and partner with the Government on efforts focused towards ensuring access and increasing affordability of medicines while maintaining strong commitment on quality.

**Impact of COVID-19 in the industry**

Medical device manufacturers have not escaped the pandemic's impact, the COVID-19 pandemic had severely affected patients suffering from cardiovascular disease and has led to a slowdown in the growth of the cardiovascular market. The spread of COVID-19 had triggered a humongous economic impact on the healthcare and medical device industry. Also, Due to the high rate of infection and the lack of treatment, many countries are suffering and continue to carry a heavy burden on both their economies and health care systems. Many countries had previously closed down and stopped trading with other countries, using travel restrictions, etc., which has led to a slowdown in the markets for large companies around the world.

However, COVID-19 has also changed the scenario of doing business. It has opened massive opportunities for the healthcare sector in tele-consultation, AI-based diagnostics and remote healthcare management. The Healthcare sector has become more focused on innovation and technology over the past two years of change. 80 per cent of healthcare systems are aiming to increase their investment in digital healthcare tools in the coming five years.

**RISK FACTORS:**

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 deliver on time due to various factors.

Though it is not possible to completely eliminate various risks associated with the business of the Company, efforts are made to minimize the impact of such risks on the operations of the Company. The Company has put in place various internal controls for different activities so as to minimize the impact of various risks.

The following broad categories of risks to the business objectives are:-

**1. Political and Economic Risk**

The Company continuously evaluates the political and economic scenario across the globe.

**2. Compliance Risks**

Medical Device industry is one of the most dynamic industries across the globe. Changes in regulations by leading regulatory bodies to ensure the quality of the products have compelled the medical device companies to modify their compliance practices. The Company is committed to compliance.

**3. Operational Risks**

Inherent risks to business operations such as production capacities, quality assurance, customer demands, material availability, human safety and skilled manpower. Operational risks are assessed primarily in terms of process design and its effectiveness.

**4. New product risk:**

New product development and launch involves substantial expenditure, which may not be recovered due to several factors including development uncertainties, increased competition, regulatory delays lower than anticipated price realizations, delay in market launch and marketing failure.

In highly regulated business, the requirement to obtain regulatory approval based on a product's safety, efficacy and quality before it can be marketed for an indication in a particular country, as well as to maintain and comply with licenses and other regulations relating to its manufacture and marketing, are particularly important. The submission of an application to regulatory authorities (which vary, with different requirements, in each region or country) may or may not lead to the grant of marketing approval.

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

The Company is engaged in only one segment i.e. manufacturing of pacemakers. Company has generated revenue of Rs. 2019.35 Lakhs during the financial year. However, the Company is continuously striving to improve its operational functionality and spread its geographical operational area.

**OUTLOOK**

The global pacemakers market is being driven by an aging population and rising incidences of cardiac ailments, as well as technological advancements in the healthcare sector. Furthermore, the government is shaping the global pacemakers sector by taking fruitful steps and increasing reimbursement policies on a global scale.

Overall, the evolving landscape of cardiovascular diseases, coupled with technological advancements and expanding markets, presents a significant professional opportunity for Pacemaker manufacturers in the global market. By continuously innovating, focusing on emerging economies, and building strategic partnerships, companies can position themselves at the forefront of cardiac treatment, driving growth and contributing to the overall well-being of patients worldwide.

Currently, Majority of the players operating in the Indian market are foreign companies. Stiff competition exists among these players. Your Company is looking forward to cover major Indian market in coming years. Further, the Company is serving to other Countries also and panning to reach far beyond Indian boundaries. This will also help our nation to save crucial foreign exchange.

Your Company will remain focused on its agenda of superior revenue growth, cost consciousness and improving the overall margin profile of the Company simultaneously focusing on the welfare of the society being its most concerned responsibility.

We have already reached a milestone of over 1,00,500 implants in India and beyond. This has been truly possible through the continued commitment to Research and Development and a vision to serve our people.

The Prime Minister's 'vocal for local' mantra has also brought out the significance for our local brands to have a global presence. India is the biggest and the fastest-growing market in the world for the majority of the product categories. With a more than 30 years of experience, we continue to aspire with great zeal and vigour to realize our PM's mission of "Make in India" and "Self Reliance".

The Government of India is taking supportive measures such as promoting indigenous manufacturing of high-tech medical devices, production-linked incentive schemes (PLIs) on medical devices, boosting new medical devices park, etc., to boost overall growth of the domestic medical devices market in India.

**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 Company has appointed an internal auditor which carries out audit throughout the year. The Audit Committee of the Company regularly reviews the reports of the internal auditor and recommends actions for further improvement of the internal controls. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board. 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.



**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year 2022-23, the Company has generated operational revenue of Rs. 2019.35 Lakhs during the financial year against the revenue of Rs. 902.65 Lakhs in the Previous Financial Year. The Company's has earned a profit of Rs. 324.76 Lakhs as compared to profit of Rs. 65.20 Lakhs in previous Financial Year. The overall performance of the Company in the current year is increased as compared to the performance of the Company in Previous Year. The Company is highly working on its commitments and growth. The Company's management is making regular efforts for improving operating efficiencies and increases its performance.

**HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. The Company has built a competent team to handle challenging assignments. As on 31<sup>st</sup> March, 2023, there were 59 permanent employees on the roll of the Company. Our Company shares good industrial relations which improves the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. Complete unity of thought and action is placed in organization. It has increased the place of workers in the society. During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. The Company strives to enhance the technical, work related and general skills of employees on a continuous basis. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations.

During this Global COVID-19 Pandemic, the Company is taking utmost care of its employees and work force like sanitisation, social distancing, mandatory wearing of facemask and hand gloves, safe commuting facility, thermal check at the gate, maintaining proper hygiene.

**SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Details of significant changes (i.e. change of 25% or more as compared to immediately previous financial year) in key financial ratios, along with detailed explanations are as follows:

S. NO	PARTICULARS	RATIO IN F.Y. 2022-2023	RATIO IN F.Y. 2021-2022	% OF CHANGE	EXPLANATIONS FOR MATERIAL CHANGE (CHANGE OF 25% OR MORE)
1.	Debtors Turnover Ratio	3.61	1.96	Increase by 84.07%	Due to Increase in turnover
2.	Inventory Turnover Ratio	8.69	4.99	Increase by 74.16%	Due to Increase in turnover
3.	Interest Coverage Ratio	16.55	4.11	Increase by 302.68%	Due to Increase in turnover
4.	Current Ratio	1.87	1.67	Increase by 12.11%	Not Applicable
5.	Debt Equity Ratio	0.04	0.09	Decrease by 58.92%	Due to increase in profit
6.	Operating Profit Margin	24.23	12.96	Increase by 86.96%	Due to increase in profit
7.	Net Profit Margin	16.08	7.22	Increase by 122.61%	Due to increase in turnover, resulting increase in profit

**CHANGES IN RETURN ON NETWORTH**

Return on net worth for FY 2022-2023 is 39.74% whereas return on net worth for FY 2021-2022 was 10.48%. Return on net worth is higher for the year ended 31<sup>st</sup> March, 2023 due to increase in the profit after tax as compared to previous year.

**DISCLOSURE IN ACCOUNTING TREATMENT**

In the preparation of financial statements, no different treatment from that prescribed in applicable Accounting Standard has been followed.

**Date: 14/08/2023**

**Place: Pithampur**

**For and on behalf of the Board of  
Shree Pacetronix Limited**

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

**Akash Sethi  
Joint Managing Director  
(DIN: 08176396)**

**ANNEXURE-X****CERTIFICATE****[Pursuant to Regulation 34(3) and sub-clause (i) of clause (10) of Para C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,  
The Members of  
**Shree Pacetronix Limited**  
Plot No. 15, Sector-II, Industrial Area,  
Pithampur Dist. Dhar (M.P.) 454775

I have examined the relevant registers, returns and records maintained by **Shree Pacetronix Limited** ("the Company") having CIN L33112MP1988PLC004317 and registered office at Plot No. 15, Sector-II, Industrial Area, Pithampur Dist. Dhar (M.P.) 454775, forms and disclosures received from the Directors of the Company, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (i) of clause (10) of Para C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors' Identification Number (DIN) status at the portal-www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on March 31<sup>st</sup> 2023, have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	NATURE/ CATEGORY OF DIRECTORSHIP	DATE OF APPOINTMENT IN THE COMPANY
1.	<b>Atul Kumar Sethi</b>	00245685	Managing Director	11/01/1988
2.	<b>Akash Sethi</b>	08176396	Joint Managing Director	14/08/2018
3.	<b>Sushil Kumar Patni</b>	00245754	Independent Director	30/04/2002
4.	<b>Manali Tongia</b>	09542172	Independent Director	24/03/2022
5.	<b>Somya Chhabra</b>	09597296	Independent Director	06/05/2022

Ensuring eligibility for the appointment / continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore  
Date: 14<sup>th</sup> August, 2023

Signature: \_\_\_\_\_

Shraddha Jain

ACS No: 39488; C P No: 14717

UDIN:A039488E000800457

Peer Review Certificate No:1765\_2022



## **Independent Auditor's Report On Standalone Financial Statement**

### **To The Members Of Shree Pacetronix Limited**

### **Report on the Audit of the Standalone Financial**

#### **Statements Opinion**

We have audited the accompanying standalone financial statements of **SHREE PACETRONIX LIMITED** (herein after referred to as the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (herein after referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition</b></p> <p>The Company recognize s revenue from the sales of implant devices to Hospitals and customers. The Company recognize s revenue from product sales when control of the product transfers, generally upon shipment or delivery to a customer. The Company records product sales net of estimated incentives/discounts, returns, rebates and other related charges. The actual point in time when revenue is recognized varies depending on the specific terms and conditions of the sales contracts entered with customers.</p> <p>Further, the Company has a large number of customer so pirating in various geographies and sales contracts with customers have a variety of different terms relating to the recognition of revenue, and price adjustments.</p> <p>We identified recognition of revenue from operations as a key audit matter because: Accrual towards rebates, discounts, returns and allowances is complex and requires significant judgments and estimates in relation to contractual agreements/ commercial terms across various geographies. Any change in these estimates can have a significant financial impact.</p>	<p>Principal Audit Procedures Performed</p> <p>Our audit included, but was not limited to, the following procedures:</p> <ol style="list-style-type: none"> <li>Obtained an understanding of the management's process for revenue recognition (from sale to customers), judgments in estimation and accounting treatment of discount schemes, returns, rebates and regulatory compliance requirements;</li> <li>Evaluated the design and tested the operating effectiveness of the Company's internal controls, including general IT controls, key IT application controls exercised by the management, over recognition of revenue and measurement of various discount schemes, returns and rebates;</li> <li>Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during the year, and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/shipping documents;</li> <li>Performed cut-off testing procedures by testing samples of revenue transactions recorded during the year in specific periods before and after year end to conclude there has not been overstatement/ understatement of revenue recorded for the year;</li> <li>Obtained management workings for amounts recognized towards discount schemes, returns and rebates during they ear and as at year end. On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations, as per the terms of related schemes, contracts and regulations, and traced the underlying data to source documents;</li> <li>Evaluated historical accuracy of the Company's estimates of year-end accruals pertaining to aforesaid arrangements made in the previous years to identify any management bias;</li> </ol>
2	<p><b>Recoverability of investments in subsidiaries:</b></p> <p>The Company has investments of ₹80,00,000 in subsidiary being carried at cost in accordance with Ind AS 27 'Separate Financial Statements'. The Company assesses the recoverable amounts of each investment when impairment indicators exist by comparing the fair value (less costs of</p>	<p>Our audit included, but was not limited to, the following procedures:</p> <ol style="list-style-type: none"> <li>Obtained an understanding of the management's process for identification of impairment indicators and tested the design and operating effectiveness of internal controls over such identification and impairment</li> </ol>



<p>disposal) and carrying amount of that investment as on the reporting date.</p> <p>Management’s assessment of whether there are impairment indications and estimate of the recoverable amounts of the identified investments determined through market observable inputs requires significant judgment in carrying out the impairment assessment. The key assumptions used in management’s assessment of the recoverable amounts include, but are not limited to, projections of future cash flows, growth rates, estimated future operating and capital expenditure. Changes to these assumptions could lead to material changes in estimated recoverable amounts, resulting in either impairment or reversals of impairment taken in prior years.</p> <p>Considering the materiality and the inherent subjectivity which involves significant management judgment in predicting future cash flow projections, recoverability of investments in subsidiaries has been considered to be a key audit matter for the current period audit.</p>	<p>measurement through fair valuation of identified investments;</p> <p>b. Reconciled the cash flows to the business plans approved by the respective Board of Directors of the identified investee companies;</p> <p>c. Evaluated and challenged management’s assumptions such as implied growth rates during explicit period, terminal growth rate, and targeting savings for their appropriateness based on our understanding of the business of the respective investee companies, past results and external factors such as industry trends and forecasts,</p> <p>d. Obtained and evaluated sensitivity analysis performed by the management on key assumptions of implied growth rates during explicit period, terminal growth rates and discount rates;</p> <p>e. Tested the mathematical accuracy of the management computations with regard to cash flows and sensitivity analysis;</p> <p>f. Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the current estimated recoverable amount for each of the identified investments to evaluate sufficiency of headroom between recoverable value and carrying amount; and</p> <p>g. Evaluated the adequacy of disclosures given in the standalone financial statements, including disclosure of significant assumptions, judgments and sensitivity analysis performed, in accordance with applicable accounting standards. Based on the audit procedures performed, we determined that the management’s assertion on the recoverability of investments in subsidiary is appropriate in the context of the standalone financial statements taken as a whole.</p>
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**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexure to Board’s Report and Shareholder’s Information, but does not include the financial statements, and our auditor’s report thereon. The company’s annual report is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained





during the course of our audit or otherwise appears to be materially misstated.

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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



a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the Requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 2.23 to the standalone financial statements.
  - ii. The Company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amount which required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.24 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (b) above, contain any material misstatement.
  - v. No dividend declared or paid during the year by the company.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts in accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For: S.R. Naredi & Co.**  
Chartered Accountants  
(Registration No. 002818C)

**CA S.R. Naredi**  
Proprietor  
(Membership No. 072014)  
UDIN: 23072014BGQMSZ672

Place: Indore  
Date: May 30, 2023

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SHREE PACETRONIX LIMITED of even date)

**Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls with reference to standalone financial statements of **SHREE PACETRONIX LIMITED** (the “Company”) as of March 31, 2023 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 with reference to standalone financial statements 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 (the “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 Act.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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 the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 financials 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 with reference to standalone financial statements.

**Meaning of Internal Financial Controls with reference to standalone financial statements**

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the



company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of an authorised 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 with reference to Standalone Financial Statements**

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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were generally operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements 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  
(RegistrationNo.002818C)

**CA S.R. Naredi**  
Proprietor  
(MembershipNo.072014)  
UDIN: 23072014BGQMSZ6721

Place: Indore  
Date: May 30, 2023



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SHREE PACETRONIX LIMITED of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and there is no right-of-use assets.  
The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of property, plant and equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any Benami property under the Benami Transactions(Prohibition) Act, 1988(as amended in 2016) and rules made there under.
- ii.
  - (a) The Inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the books records that were 10% or more in the aggregate for each class of inventory.
  - (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii.
  - (a) The Company has not made any investments provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year except investment made in subsidiary and guarantee given on behalf of subsidiary. The company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year. Based on the audit





procedures carried on, by us and as per the information and explanation given to us, the company has not granted any loans to subsidiaries.

- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3 (iii) (f) is not applicable.

The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3 (v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - a. In our opinion, the Company has generally being regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable except:-

Name of Statute	Amount
MP Professional Tax Act,1995	1,69,388/-
MP Professional Tax Act,1995	5,000/-

- b. Details of statutory dues referred to in sub-clause(a) above which have not been deposited as on March 31,2023 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount
Central Sales Tax Act,1956	Sales Tax	Joint Commissioner of State Tax	A.Y. 2014-15	76,923/-
Value Added Tax Act	Value Added Tax	State Tax Additional Commissioner (Appeal)	A.Y.2014-15	5,57,602/-
Goods and Service Tax Act,2017	Goods and Service Tax	Court	F.Y.2022-23	20,00,000/-

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has taken term loan during the year and the same has been applied for the purpose for which it was obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary as defined under Companies Act,2013 and hence reporting on clause3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause3 (x) (a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause3(x)(b)of the Order is not applicable.



- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The Company has not received the whistle blower complaints during the year (and upto the date of this report).
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an internal audit system commensurate with the size and the nature of its business.
- (b) We have considered , the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a),(b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d)of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the



date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In our opinion and according to the information and explanations given to us, the provisions of sections 135 of the Companies Act, 2013 are not applicable to the company. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the order are not applicable for the year.

**For S.R. NAREDI & Co.**  
Chartered Accountants  
(RegistrationNo.002818C)

**CA S.R. Naredi**  
Proprietor  
(MembershipNo.072014)  
UDIN: **23072014BGQMSZ6721**

Place: Indore  
Date: May 30, 2023



## Balance Sheet as at March 31, 2023

(In INR Rs.100)

Particulars	Note	As at March 31st, 2023	As at March 31st, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	3,02,978.70	2,46,212.68
Intangible assets	2.2	4,442.43	4,937.28
Financial assets			
- Investments	3	80,000.00	80,000.00
- Other Financial Assets	4	41,014.10	36,600.24
Deferred tax assets (Net)	5	29,477.30	20,634.40
<b>Total Non current assets</b>		<b>4,57,912.53</b>	<b>3,88,384.60</b>
<b>Current assets</b>			
Inventories	6	2,98,449.11	1,66,161.22
Financial assets			
- Trade receivables	7	6,01,107.31	5,19,021.69
- Cash and cash equivalents	8	6,281.04	3,740.00
- Bank Balance other than Cash & Cash Equivalents	9	77,211.10	53,672.75
- Loans	10	571.80	927.46
- Other Financial Assets	11	3,439.61	2,346.39
Other current assets	12	2,15,485.54	70,707.93
<b>Total current assets</b>		<b>12,02,545.51</b>	<b>8,16,577.44</b>
<b>TOTAL ASSETS</b>		<b>16,60,458.03</b>	<b>12,04,962.04</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	3,59,940.00	3,59,940.00
Other equity	14	6,19,728.30	2,94,967.98
<b>Total Equity</b>		<b>9,79,668.30</b>	<b>6,54,907.98</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	15	33,136.87	56,175.88
- Other financial liabilities	16	3,600.00	3,600.00
<b>Total Non-current Liabilities</b>		<b>36,736.87</b>	<b>59,775.88</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	17	1,82,994.56	2,31,428.51
- Trade payables	18	3,547.54	
A) total outstanding dues of micro enterprises and small enterprises			
B) total outstanding dues of creditors other than micro enterprises and small enterprises			
- Other financial liabilities	19	57,819.06	15,126.81
Other current liabilities	20	79,186.20	46,493.74
Provisions	21	1,71,152.90	1,24,942.50
Income tax liabilities (net)	22	72,778.53	46,486.62
		76,574.06	25,800.00
<b>Total Current Liabilities</b>		<b>6,44,052.85</b>	<b>4,90,278.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,60,458.03</b>	<b>12,04,962.04</b>

## Significant Accounting Policies

The accompanying notes from an Integral part of the financial statements

1

2 to 39

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C  
CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2023

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2023



## Statement of Profit and Loss Year Ended March 31, 2023

(In INR Rs.100)

Particulars	Note	As at March 31st, 2023	As at March 31st, 2022
Revenue from operations	23	20,19,351.65	9,02,604.23
Other income	24	8,708.81	6,706.81
<b>Total Income</b>		<b>20,28,060.46</b>	<b>9,09,311.04</b>
<b>Expenses</b>			
Cost of materials consumed	25	7,25,827.89	3,01,688.79
Changes in inventories of finished goods, work in progress and stock-in-trade	26	(35,275.88)	10,432.26
Employee benefit expense	27	3,58,012.30	2,32,131.77
Finance costs	28	29,555.77	28,444.57
Depreciation and amortization expenses	2	62,861.54	49,751.79
Other expenses	29	4,27,358.16	1,98,366.93
<b>Total expenses</b>		<b>15,68,339.78</b>	<b>8,20,816.11</b>
<b>Profit/ (loss) before tax</b>		<b>4,59,720.68</b>	<b>88,494.93</b>
<b>Tax expense</b>			
Current tax		1,43,803.25	26,083.64
Deferred tax		(8,842.90)	(2,798.50)
<b>Profit/ (loss) for the period (after Tax)</b>		<b>3,24,760.32</b>	<b>65,209.79</b>
<b>Earnings per equity share of face value of 10 each</b>			
a) Basic		9.02	1.81
b) Diluted		9.02	1.81
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>The accompanying notes from an Integral part of the to the financial statements</b>	<b>2 to 39</b>		

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C  
CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2023

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2023





## Statement of changes in equity for the year ended 31st March, 2023

## A. Equity Share Capital

## 1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
35,99,400	-	-	-	35,99,400

## 2) Previous Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
35,99,400	-	-	-	35,99,400

## B. Other Equity

## 1) Current Reporting Period

	Reserves and Surplus				Total
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other items of other Comprehensive Income	
Balance at the beginning of the current reporting period	15,000.00	57,861.08	2,22,106.90	-	2,94,967.98
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	3,24,760.32	-	3,24,760.32
Balance at the end of the current reporting period	15,000.00	57,861.08	5,46,867.22	-	6,19,728.30

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C  
CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2023

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2023



## 2) Previous Reporting Period

	Reserves and Surplus				Total
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other items of other Comprehensive Income	
Balance at the beginning of the current reporting period	15,000.00	57,861.08	1,56,897.11	-	2,29,758.19
Changes in accounting policy/prior period errors	-	-	(6,669.55)	-	(6,669.55)
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	71,879.34	-	71,879.34
Balance at the end of the current reporting period	15,000.00	57,861.08	2,22,106.90	-	2,94,967.98

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C  
CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2023

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2023

Cash Flow Statement as at 31<sup>st</sup> March, 2023

Particulars	(In INR Rs.100)	
	As at March 31st, 2023	As at March 31st, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	4,59,720.68	88,494.93
Adjusted for:		
Depreciation and Amortisation Expense	62,861.54	49,751.79
Interest Income	(6,562.50)	(4,010.53)
Interest paid	29,555.77	28,444.57
(Profit)/Loss on sale of fixed assets	428.11	(2,505.42)
	<b>86,282.92</b>	<b>71,680.41</b>
Operating Profit before Working Capital Changes	5,46,003.60	1,60,175.34
Adjusted for:		
Trade & other Receivables	(2,29,107.29)	(1,60,552.04)
Inventories	(1,32,287.89)	29,348.25
Trade & Other Payables	1,51,434.56	43,656.83
	(2,09,960.63)	(87,546.96)
Cash Generated from Operations	3,36,042.97	72,628.38
Taxes Paid	(91,522.68)	(13,783.64)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,44,520.29</b>	<b>58,844.74</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash flow from Other financial assets	(4,413.86)	(26,902.18)
Sale of Fixed Assets	2,900.00	6,500.00
Purchase of Fixed Assets	(1,22,460.81)	(40,130.38)
Bank balance other than cash and cash equivalents	(23,538.35)	(53,672.75)
Interest Income	6,562.50	4,010.53
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1,40,950.52)</b>	<b>(1,10,194.78)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	(23,039.01)	4,598.41
Proceeds from Short Term Borrowings (Net)	(48,433.95)	9,703.81
Interest Paid	(29,555.77)	(28,444.57)
<b>NET CASH RECEIVED/ (USED) IN FINANCING ACTIVITIES</b>	<b>(1,01,028.73)</b>	<b>(14,142.35)</b>
Net Increase / Decrease (-) in Cash and Cash Equivalents	2,541.03	(65,492.38)
Opening Balance of Cash and Cash Equivalents	3,740.00	69,232.39
Closing Balance of Cash and Cash Equivalents	<b>6,281.03</b>	<b>3,740.00</b>

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C  
CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2023

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2023



## Notes to Standalone Financial Statements for the year ended 31st March 2023

### 1) Corporate information

Shree Pacetronix Limited (CIN: L33112MP1988PLC004317) ("the Company") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The registered office of the company is located at Plot no. 15, Sector – II, Industrial Area Pithampur, Dist. Dhar, Madhya Pradesh, 454775.

The Company is mainly engaged in the business of Manufacturing of Pacemaker ("**Life Saving Devices**").

The Board of Directors approved the standalone financial statements for the year ended March 31, 2023 and authorised for issue on May 30, 2023.

### 2) Basis of preparation

The financial statements of the Company as at and for the year ended 31st March, 2022 have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and other relevant provisions of the Act and accounting principles generally accepted in India.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS.

These standalone financial statements have been prepared on historical cost and on accrual basis except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Net defined benefit liability (refer accounting policy regarding employee benefit)

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. All amounts have been rounded to the nearest hundred (₹ 00), except when otherwise indicated.

### Current and non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act and Ind AS 1 - Presentation of Financial Statements.

**Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of assets and liabilities, respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always disclosed as non-current.

**3) Significant Accounting Judgements, Estimates And Assumptions**

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be prudent and reasonable under the circumstances existing when the standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis by management at each reporting date. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognized in the periods in which the results are known/ materialized.



Following are the critical judgments and estimates

### 3.1 Judgements

#### i) Leases

Ind AS 116 - *Leases* requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

#### ii) Income Taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. In assessing the reliability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

#### iii) Research & Development Expenditure

Management monitors progress of internal research & development projects. Development costs are recognized as an asset when all the criteria are met whereas research cost is expenses as and when incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

#### iv) Provisions & Contingent Liabilities

The Company exercises judgment in measuring and recognizing provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is





no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

### **3.2 Estimates**

#### **i) Useful lives of property plant & equipment and intangible assets**

Property, plant and equipment, and intangibles assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### **ii) Accounting for defined benefit plans**

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

#### **iii) Impairment of non financial assets**

An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or cash generating unit's is the higher of the asset's fair value less cost to sell and value in use. In assessing the value in use the estimated future cash flows are discounted to their present value using pre tax discount rate that reflects current market assessments of the time value of the money and risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

#### **iv) Fair value of Financial Instruments**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



#### 4. Accounting Policies

##### a) Property Plant & Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets. Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

An item of property, plant and equipment, is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

##### b) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Expenditure pertaining to research is recognized on statement of profit and loss as and when incurred by the entity. Development cost charged to Statement of profit and loss unless product's technological and commercial feasibility has been established and the company has sufficient resources to complete the development and to use and sell the asset in which case such expenditure is capitalized.

The Company amortizes intangible assets with a finite useful life using the straight-line method over the following useful lives:

Type of asset	Useful lives
Technological Know-how	10 Years
Product Related Technology	10 Years

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.



## **Derecognition**

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition

### **c) Impairment of Non Financial Assets**

The company assesses, at each reporting date to determine that whether there is a indication that asset may be impaired based on internal & external factors. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount of an asset or cash generating unit's is the higher of the asset's fair value less cost to sell and value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **d) Borrowings Costs**

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds. Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalized as a part of the cost of such assets; up to the date such assets are ready for their intended use. Other borrowing costs are charged to the profit or loss.

### **e) Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognized in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### **f) Inventories**

Inventories are valued at the lower of cost and net realizable value. Inventories consist of raw materials, sub-assemblies and components, work-in-progress and finished goods and are measured at the lower of cost and net realizable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate proportion of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, aging of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.



### **g) Revenue Recognition**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The majority of customer contracts that the Company enters into consist of a single performance obligation for the delivery of “**Life Saving Devices**”. The Company recognizes revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party.

Revenues are recorded in the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price received or receivable (net of variable consideration) like returns, Goods and Services Tax (GST), discounts, allowances, incentives and other related charges.

Contracts for the sale of goods provide customers with a right to replacement, return defective / damaged products and discount and rebates on sales. The rights to replacement return and discount and rebates on sales give rise to variable consideration.

These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Company’s estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Company considers its historical record of performance on similar contracts.

### **Other Income**

Other Income is comprised primarily of interest income. Interest income is recognized on accrual basis.

### **h) Employee Benefit Expenses**

#### **(i) Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc., and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **(ii) Defined Contribution Plan**

Retirement benefits in the form of provident fund are defined contribution scheme. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company does not have any obligation other than the contribution made

**(iii) Defined Benefit Plans**

Post retirement benefit plan such as gratuity plan, which requires contributions to be made to a separately administered fund. The benefit plan surplus or deficit on the balance sheet comprises the total for each of the fair value of the plan assets less the present value of the defined liabilities.

In accordance with Indian law, the company deposited in a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of services. Vesting occurs upon completion of five continuous years of services.

Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. There is no Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date.

**i) Taxes**

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity. In such cases, the income tax expense is also recognized in the other comprehensive income or directly in the equity as applicable.

**Current income taxes**

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Deferred Taxes**

Deferred tax is recognized in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiary where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or inequity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.



Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

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

#### **j) Segment Reporting**

The Company is engaged in the business of “**Life Saving Devices**”. The Chief Operating Decision Maker review the operating results of the Company as a whole for purposes of making decisions about resources to be allocated and assess its performance. The entire operations are classified as a single segment, namely “Life Saving Devices”.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### **k) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### **Company as lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

#### **l) Cash & cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.



**m) Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

**Post sales replacement**

The company provides its customers with replacement of implant device at nominal cost during the lifecycle of product. The company estimates such costs based on historical experience and estimates reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

**n) Contingencies**

Contingent liabilities are recognized when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**o) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

**p) Financial Instruments****i) Recognition & Initial Measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables are initially recognized when they are originated at transaction price. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instruments.



Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

## ii) Classification and subsequent measurement

### Financial Assets

On initial recognition, a financial asset is classified as measured at: amortized cost, Fair value through other comprehensive income ('FVOCI') or Fair value through profit and loss ('FVTPL').

#### *Financial Assets at amortized cost*

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Financial Assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Financial Assets at fair value through profit or loss*

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

### Financial Liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de recognition is also recognized in the statement of profit or loss.

## iii) De-recognition

- **Financial Assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.



If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

- **Financial Liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**iv) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**v) Impairment of financial assets**

Impairment of financial assets In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities ,deposits, trade receivables and bank balance ;
- b) Financial assets that are measured at FVTOCI ;
- c) Lease receivables under Ind AS 116 ;
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.ECL is the difference between all contractual



cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the net cash flows, an entity is required to consider:

- a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms, as a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as (income) / expense in the statement of profit and loss (P&L).

Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### **vi) Investment in subsidiaries**

Investment in subsidiaries is carried at cost less impairment loss (if any) as per the Ind as 27- 'Separate Financial Statements'.

- **Impairment of investments:**

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

#### **vii) Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

#### **q) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 12-IncomeTaxes-**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

**Ind AS 1-Presentation of Financial Statements-**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors-**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN:00245685

Akash Sethi  
Joint Managing Director  
DIN:08176396

Ashok Atulkar  
Chief Financial Officer

Yash Bagora  
Company Secretary

Place: Pithampur  
Date: May 30,2023

2.1 Property, Plant and Equipment

(In INR Rs.100)

The change in the carrying value of property, plant and equipment for the year ended March 31, 2023 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machineries	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2022	1933.50	167654.55	645458.21	61490.61	108823.27	22112.38	38913.69	2453.92	1048840.13
Additions	0.00	6759.20	70503.93	4794.61	24054.91	12521.49	3826.67	0.00	122460.81
Deletions	0.00	0.00	0.00	0.00	10935.29	0.00	0.00	0.00	10935.29
Gross Carrying value March 31, 2023	<b>1933.50</b>	<b>174413.75</b>	<b>715962.14</b>	<b>66285.22</b>	<b>121942.89</b>	<b>34633.87</b>	<b>42740.36</b>	<b>2453.92</b>	<b>1160365.65</b>
Accumulated depreciation April 1, 2022	0.00	119090.46	522266.52	42677.63	62064.31	18709.84	35364.77	2453.92	802627.45
Depreciation for the year	0.00	4765.66	28977.50	5059.66	19142.70	2839.93	1581.23	0.00	62366.68
Accumulated depreciation on deletions	0.00	0.00	0.00	0.00	7607.18	0.00	0.00	0.00	7607.18
Accumulated depreciation March 31, 2023	<b>0.00</b>	<b>123856.12</b>	<b>551244.02</b>	<b>47737.29</b>	<b>73599.83</b>	<b>21549.77</b>	<b>36946.00</b>	<b>2453.92</b>	<b>857386.95</b>
Carrying value as at March 31, 2023	1933.50	50557.63	164718.12	18547.93	48343.06	13084.10	5794.36	0.00	302978.70
Carrying value as at April 1, 2022	1933.50	48564.09	123191.69	18812.98	46758.96	3402.54	3548.92	0.00	246212.68

The change in the carrying value of property, plant and equipment for the year ended March 31, 2022 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machineries	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2021	1933.50	167654.55	635927.26	58158.17	103925.79	20370.46	36864.86	2453.92	1027288.51
Additions	0.00	0.00	9530.95	3332.44	23026.24	1741.92	2048.83	0.00	39680.38
Deletions	0.00	0.00	0.00	0.00	18128.76	0.00	0.00	0.00	18128.76
Gross Carrying value March 31, 2022	<b>1933.50</b>	<b>167654.55</b>	<b>645458.21</b>	<b>61490.61</b>	<b>108823.27</b>	<b>22112.38</b>	<b>38913.69</b>	<b>2453.92</b>	<b>1048840.13</b>
Accumulated depreciation April 1, 2021	0.00	113959.96	497348.55	37611.71	63866.79	17680.80	34601.61	2453.92	767523.34
Depreciation for the year	0.00	5130.50	24917.97	5065.92	12331.70	1029.04	763.16	0.00	49238.29
Accumulated depreciation on deletions	0.00	0.00	0.00	0.00	14134.18	0.00	0.00	0.00	14134.18
Accumulated depreciation March 31, 2022	<b>0.00</b>	<b>119090.46</b>	<b>522266.52</b>	<b>42677.63</b>	<b>62064.31</b>	<b>18709.84</b>	<b>35364.77</b>	<b>2453.92</b>	<b>802627.45</b>
Carrying value as at March 31, 2022	1933.50	48564.09	123191.69	18812.98	46758.96	3402.54	3548.92	0.00	246212.68
Carrying value as at April 1, 2021	1933.50	53694.59	138578.71	20546.46	40059.00	2689.66	2263.25	0.00	259765.17

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Akash Sethi  
Joint Managing Director  
DIN-08176396

Ashok Atulkar  
Chief Financial Officer

Yash Bagora  
Company Secretary





## NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

## 2.2 Intangible Assets

**The change in the carrying value of Intangible Assets for the year ended March 31, 2023 were as follow:**

Particulars	(In INR Rs.100)	
	Intangible Asset	Total
Gross Carrying value April 1, 2022	86058.14	86058.14
Additions	0.00	0.00
Deletions	0.00	0.00
Gross Carrying value March 31, 2023	<b>86058.14</b>	<b>86058.14</b>
Accumulated depreciation April 1, 2022	81120.86	81120.86
Depreciation for the year	494.86	494.86
Accumulated depreciation on deletions	0.00	0.00
Accumulated depreciation March 31, 2023	<b>81615.72</b>	<b>81615.72</b>
Carrying value as at March 31, 2023	4442.43	4442.43
Carrying value as at April 1, 2022	4937.28	4937.28

**The change in the carrying value of Intangible Assets for the year ended March 31, 2022 were as follow:**

Particulars		
	Intangible Asset	Total
Gross Carrying value April 1, 2021	85608.14	85608.14
Additions	450.00	450.00
Deletions	0.00	0.00
Gross Carrying value March 31, 2022	<b>86058.14</b>	<b>86058.14</b>
Accumulated depreciation April 1, 2021	80607.36	80607.36
Depreciation for the year	513.50	513.50
Accumulated depreciation on deletions	0.00	0.00
Accumulated depreciation March 31, 2022	<b>81120.86</b>	<b>81120.86</b>
Carrying value as at March 31, 2022	4937.28	4937.28
Carrying value as at April 1, 2021	5000.78	5000.78

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN:00245685

Akash Sethi  
Joint Managing Director  
DIN:08176396

Ashok Atulkar  
Chief Financial Officer

Yash Bagora  
Company Secretary



## NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(In INR Rs.100)	
	As at March 31st, 2023	As at March 31st, 2022
<b>3 Non- current Investments</b>		
Investment measured at cost		
In Equity Shares of Subsidiary Company ( <b>unquoted</b> )		
800000 fully paid up equity shares of Rs. 10 each of Shree Coratomic Ltd.	80,000.00	80,000.00
	<b>80,000.00</b>	<b>80,000.00</b>
<b>Fair value of share of Shree Coratomic Ltd. As on 31.03.2023 is Rs. 8.46 per share(Previous Year Rs. 8.31 per Share)</b>		
<b>4 Other financial assets</b>		
(Unsecured, considered good )		
Non-current bank balances being deposits with remaining maturity of more than twelve months	21,028.36	21,903.03
Security and other deposits	19,985.74	14,697.21
	<b>41,014.10</b>	<b>36,600.24</b>
<b>5 Deferred tax assets (Net)</b>		
The movement on the deferred tax account is as follows:		
At the start of the year	20,634.40	17,835.90
Charge to Statement of Profit and Loss	8,842.90	2,798.50
<b>At the end of year</b>	<b>29,477.30</b>	<b>20,634.40</b>
<b>Component of Deferred tax assets/(liabilities)</b>		
Deferred tax assets in relation to:		
Property, plant and equipment	12,288.29	10,133.80
Provisions	17,189.01	10,500.60
<b>Total</b>	<b>29,477.30</b>	<b>20,634.40</b>
<b>6 Inventories</b>		
Finished goods	68,291.82	52,289.08
Stock-in-process	48,720.84	29,447.70
Raw materials	1,81,436.45	84,424.44
	<b>2,98,449.11</b>	<b>1,66,161.22</b>
<b>7 Trade receivables</b>		
Trade receivables considered good Unsecured	6,01,107.31	5,19,021.69
	<b>6,01,107.31</b>	<b>5,19,021.69</b>

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Trade receivables aging schedule as at 31.03.2023

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	more than 3 years	
1) Undisputed Trade receivables – considered good	3,43,208.82	1,10,241.51	1,02,238.61	13,249.39	32,168.98	6,01,107.31

Trade receivables aging schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	more than 3 years	
1) Undisputed Trade receivables – considered good	3,07,190.70	35,021.64	52,371.01	1,02,231.17	22,207.17	5,19,021.69

**8 Cash and cash Equivalents**

Cash on hand	899.47	1,205.47
Deposits with original maturity of less than three months	5,381.57	2,534.53
	<b>6,281.04</b>	<b>3,740.00</b>

**9 Bank Balance Other Than Cash And Cash Equivalents**

Deposits with maturity more than three months but less than twelve months	77,211.10	53,672.75
	<b>77,211.10</b>	<b>53,672.75</b>

**10 Loans - Current**

Loans and advances to employees	571.80	927.46
	<b>571.80</b>	<b>927.46</b>

**11 Other Financial Assets****Others**

Accrued Interest on Fixed Deposit with Banks	3,439.61	2,346.39
	<b>3,439.61</b>	<b>2,346.39</b>

**12 Other current assets**

(Unsecured, considered good )

Advance to vendors	1,45,997.49	63,280.77
Advances recoverable in cash or kind	69,488.05	5,920.65
TDS Receivable	-	1,506.51
	<b>2,15,485.54</b>	<b>70,707.93</b>

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(In INR Rs.100)

13	Particulars	(In INR Rs.100)	
		As at March 31st, 2023	As at March 31st, 2022
	<b>Share capital</b>		
	<b>Authorised</b>		
	50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	5,00,000.00	5,00,000.00
	<b>Issued, subscribed and paid up</b>		
	35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	3,59,940.00	3,59,940.00
		<b>3,59,940.00</b>	<b>3,59,940.00</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. 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 31st, 2023 No. of shares	As at March 31st, 2022 No. of shares
Balance as at the beginning of the year	3599400	3599400
Add: Shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>3599400</b>	<b>3599400</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, 2023	Percentage holding as at March 31, 2022
Mr. Atul Kumar Sethi 705506 (Previous year: 705506) shares of Rs.10 each	19.60%	19.60%
Bio Pace Technology 570087 (Previous year: 598087) shares of Rs.10 each	15.84%	16.62%
Mathew Samul Kalarickal 416795 (Previous year: 423032) shares of Rs.10 each	11.58%	11.75%

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## (d) Share holding of promoters

Sr. No.	Promoters Name	No. of Shares	% of total Shares	% Change during the year
1	Atul Kumar Sethi	705506	19.60%	-
2	Amita Sethi	115074	3.20%	-
3	Ashish Sethi	39477	1.10%	-
4	Akash Sethi	12699	0.35%	-
<b>Total</b>		<b>872756</b>	<b>24.25%</b>	<b>-</b>

14	Other Equity	March 31, 2023	March 31, 2022
		<u>Rupees</u>	<u>Rupees</u>
<b>Capital investment subsidy</b>			
	Balance as per last Financial Statements	15,000.00	15,000.00
	Balance as at the end of the year	<b>15,000.00</b>	<b>15,000.00</b>
<b>Securities Premium</b>			
	Balance as per last Financial Statements	57,861.08	57,861.08
	Add: Increase during the year	-	-
	Balance as at the end of the year	<b>57,861.08</b>	<b>57,861.08</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>			
	Balance as per last Financial Statements	2,22,106.90	1,56,897.11
	Profit/ (Loss) for the year	3,24,760.32	65,209.79
	Balance at the end of the year	<b>5,46,867.22</b>	<b>2,22,106.90</b>
		<b>6,19,728.30</b>	<b>2,94,967.98</b>

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(In INR Rs.100)

Particulars	As at March 31st, 2023	As at March 31st, 2022
<b>15 Borrowings</b>		
<b><u>Term loan - Secured</u></b>		
<b><u>a) From Banks</u></b>		
HDFC Bank Ltd. (Car) Magnite	-	1,218.19
Bank of India	5,111.36	20,444.60
Bank of India	23,000.00	23,000.00
Bank of Baroda (Car) Innova	-	11,513.09
Chola mandlam Investment and Finance Company Limited	5,025.51	-
	<b>33,136.87</b>	<b>56,175.88</b>

Nature of security:  
Secured loans

- 1 Term loans from HDFC Bank Ltd and Chola Mandalam Investment and Finance Company Limited are secured by hypothecation of vehicles.
- 2 Loan under STAR GECL from Bank of India is secured by Hypothecation of Stock, Book Debts and Plant and Machineries as primary security and Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar as collateral security, personal guarantee of Shri Atul Kumar Sethi, Smt. Amita Sethi and Shri Akash Sethi. and guaranteed by National Credit Gurantee Trustee Company (NCGTC).

**Maturity profile of long term borrowings**

Secured loans

2023-24		18,147.42
2024-25	14,351.76	20,304.22
2025-26 and onwards	18,785.11	17,724.24
	<b>33,136.87</b>	<b>56,175.88</b>

**16 Other financial liabilities**

Deposit from Customers	3,600.00	3,600.00
	<b>3,600.00</b>	<b>3,600.00</b>

**17 Short Term Borrowings**

**a) Working Capital Loan - Secured**

From Bank of india *	1,62,889.70	2,13,245.10
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**b) Current maturities of long term borrowings**

	20,104.86	18,183.41
	<b>1,82,994.56</b>	<b>2,31,428.51</b>

\*Working Capital Loan from Bank of India is secured by Hypothecation of Stock, Book Debts and Plant and Machineries as primary security and Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar as collateral security, personal guarantee of Shri Atul Kumar Sethi, Smt. Amita Sethi and Shri Akash Sethi.

\* \*It includes loan from Bank of India, Chola Mandalam Investment and Finance Company Limited and HDFC Bank Ltd to

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be repayable within a period of one year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.

**18 Trade payables**

Sundry Creditor

61,366.60	15,126.81
<b>61,366.60</b>	<b>15,126.81</b>

Trade payables ageing schedule as at 31.03.2023

Sr.No.	Particulars	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	MSME	3,547.54	-	-	-	<b>3,547.54</b>
ii)	Others	57,222.15	113.87	483.04	-	<b>57,819.06</b>
	<b>Total</b>	<b>60,769.69</b>	<b>113.87</b>	<b>483.04</b>	-	<b>61,366.60</b>

Trade payables ageing schedule as at 31.03.2022

Sr.No.	Particulars	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	MSME	3,206.14	-	-	-	<b>3,206.14</b>
ii)	Others	11,437.63	483.04	-	-	<b>11,920.67</b>
	<b>Total</b>	<b>14,643.77</b>	<b>483.04</b>	-	-	<b>15,126.81</b>

The MSME Classification is done as per intimation received from vendor regarding MSME Registration.

**19 Other financial liabilities**

Other payables

79,186.20	46,493.74
<b>79,186.20</b>	<b>46,493.74</b>

**20 Other current liabilities**

Statutory dues

8,522.36	10,067.41
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Advance from customers

1,62,630.54	1,14,875.09
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<b>1,71,152.90</b>	<b>1,24,942.50</b>
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**21 Short Term Provisions**

Provision for Employee benefits

72,778.53	46,486.62
<b>72,778.53</b>	<b>46,486.62</b>

**22 Income Tax Liabilities**

Provision for income tax

76,574.06	25,800.00
<b>76,574.06</b>	<b>25,800.00</b>

**23 Revenue from operations**

Sale of products (Net of Taxes)

20,19,351.65	9,02,604.23
<b>20,19,351.65</b>	<b>9,02,604.23</b>

**24 Other income**

Interest

6,562.50	4,010.53
----------	----------

Profit/(Loss) on sale of fixed assets

(428.11)	2,505.42
----------	----------

Other Receipts

2,574.42	190.86
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<b>8,708.81</b>	<b>6,706.81</b>
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**25 Cost of materials consumed**

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	Inventory at the beginning of the year	84,424.44	1,03,340.43
	Add: Purchases	8,22,839.90	2,82,772.80
	Less: Inventory at the end of the year	1,81,436.45	84,424.44
		<u>7,25,827.89</u>	<u>3,01,688.79</u>
<b>26</b>	<b>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	52,289.08	59,165.60
	Stock in process	29,447.70	33,003.44
		<u>81,736.78</u>	<u>92,169.04</u>
	<b>Inventory at the end of the year (b)</b>		
	Finished goods	68,291.82	52,289.08
	Stock in process	48,720.84	29,447.70
		<u>1,17,012.66</u>	<u>81,736.78</u>
	<b>Increase in inventories (a) - (b)</b>	<u><b>(35,275.88)</b></u>	<u><b>10,432.26</b></u>
<b>27</b>	<b>Employee benefits expense</b>		
	Salaries and wages	3,13,611.64	2,14,889.35
	Contribution to provident and other funds	31,290.11	12,348.87
	Staff welfare expenses	13,110.55	4,893.55
		<u>3,58,012.30</u>	<u>2,32,131.77</u>
<b>28</b>	<b>Finance costs</b>		
	Interest on term loan	6,573.62	5,816.61
	Interest-others	18,117.24	20,971.30
	Bank charges	4,864.91	1,656.66
		<u>29,555.77</u>	<u>28,444.57</u>

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Particulars	As at March 31st, 2023	As at March 31st, 2022
<b>29 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	547.46	322.96
Exchange difference (net)	6,617.91	-
Freight inward	7,527.67	3,041.02
Insurance	1,204.01	3,915.33
Job Work & Labour Charges	13,069.04	5,467.60
Laboratory Expenses	3,161.20	2,218.87
Power, fuel and water	12,805.44	9,908.15
Repairs to Others	7,858.61	3,184.76
Repairs to buildings	7,362.22	16,862.99
Repairs to plant and equipments	2,892.76	4,041.53
	<b>63,046.32</b>	<b>48,963.21</b>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	6,719.76	1,388.94
Packing materials	19,076.25	4,532.70
Commission	15,129.50	4,378.34
Implantation Charges	9,600.00	2,004.00
Travelling expenses	73,215.66	37,993.03
Freight outward	8,185.15	1,770.09
Selling and business promotion expenses	24,480.58	10,769.03
Tender Expenses	496.00	281.13
	<b>1,56,902.90</b>	<b>63,117.26</b>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	2,300.00	1,500.00
Conveyance	12,785.89	1,924.46
Courier and postage charges	1,167.92	815.12
Legal and Professional Expenses	48,524.99	19,770.85
Miscellaneous expenses	5,389.89	8,083.02
Printing and stationery	1,851.74	958.85
Rates and taxes	13,615.12	5,180.62
Rent	11,860.80	11,750.25
Telephone and mobile expenses	526.06	638.25
Vehicle running & Maintenance Expenses	25,037.12	12,535.84
R & D Expenses	66,810.47	23,129.21
Debit Balance Written off	13,685.25	-
Donation	3,160.00	-
Security Charges	693.68	-
	<b>2,07,408.94</b>	<b>86,286.46</b>
<b>(a)+(b)+(c)</b>	<b>4,27,358.16</b>	<b>1,98,366.93</b>

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(In INR Rs.100)

Particulars	As at March 31st, 2023	As at March 31st, 2022
<b>30 Taxation</b>		
Income tax recognised in Statement of Profit and Loss		
Current tax	1,43,803.25	26,083.64
Deferred tax	(8,842.90)	(2,798.50)
<b>Total income tax expenses recognised in the current year</b>	<b>1,34,960.36</b>	<b>23,285.14</b>

**31 Earnings per share**

Profit after tax (a)	3,24,760.32	65,209.79
Weighted average number of equity shares outstanding (b)	35,99,400	35,99,400
Nominal value of an equity share	10.00	10.00
Earnings per share		
Basic [(a) / (b)]	9.02	1.81
Diluted [(a) / (b)]	9.02	1.81

**32 Contingent liabilities**

(i) Corporate Guarantee	70,000.00	70,000.00
(ii) Bank Guarantee	49,831.36	27,824.04

The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary company (shree coratomic limited).

The Company has filed appeal against demand of rupees 20.00 Lakhs under Goods and Services Tax Act. This demand is covered by Bank Guarantee

**33 Payment to auditors**

For statutory audit	2,000.00	1,300.00
For tax audit	300.00	200.00

**34 Capital commitments****25,742.80**

The Company is contractually committed (net of advances) Rs 25,74,280 as on 31.03.2022 for purchase of Property, Plant and Equipment.

**35 FINANCIAL RISK MANAGEMENT****Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, long-term loans, cash and cash equivalents.

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The Company's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable.

The credit policy requires each new customer to be analyzed individually for credit worthiness before delivery and payment terms are offered.

Other receivables consist primarily of security deposits, loans to employees and other receivables. The risk of default is assessed as low.

The credit risk surrounding loans receivable is assessed as low risk.

Credit risk on cash and cash equivalents is assessed as low risk as the Company deposits cash surpluses with financial institutions of high quality and standing.

#### Liquidity Risk

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 March 2023 based on contractual undiscounted payments.

Particulars	(Rs. In Lakhs)				
	Less than one year	1-2 Years	2-4 Years	>4 Years	Total
Trade Payable	60.77	0.11	0.48	0.00	61.36
Long Term borrowings (Including current maturities)	20.11	14.35	8.57	10.21	53.24
Short Term borrowings	162.89	0.00	0.00	0.00	162.89
Others	73.40	2.06	2.25	1.48	79.19

#### Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offers the best rates which enables the Company to maximize returns whilst minimizing risk.

#### 36. Additional Regulatory Information Ratios

(xi)	Ratios	Numerator	Denominator	FY 2022-23	FY 2021-22	Change	Explanation
	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.87	1.67	12.11%	
	Debt-Equity Ratio (in times)	Long Term Borrowings	Total Equity	0.04	0.09	- 58.92%	Due to increase in profit

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Debt-Service Coverage Ratio	Earnings for Debt service = Net profit after tax + Non-cash operating expenses + interest + other non cash adjustments + Interest on debt debited in P&L	Debt service = Interest + Principal Repayment (Non-Current debts only)	10.78	4.04	166.66 %	Due to increase in profit
Return on Equity Ratio (in times)	Profit for the year less preference dividend (if any)	Average Total Equity	39.74%	10.48%	279.21 %	Due to increase in turnover, resulting increase in profit
Inventory Turnover Ratio (in times)	Revenue From Operations	Average Inventory	8.69	4.99	74.16%	Due to Increase in turnover.
Trade Receivable Turnover Ratio (in times)	Revenue From Operations	Average Trade Receivable	3.61	1.96	84.07%	Due to Increase in turnover.
Trade Payable Turnover Ratio (in times)	Revenue From Operations	Average Trade Payable	52.80	36.43	44.94%	Due to Increase in turnover.
Net Capital Turnover Ratio (in times)	Revenue From Operations	Working Capital (i.e. Total current assets less Total Current Liabilities)	3.62	2.77	30.71%	Due to Increase in turnover.
Net Profit Ratio (in %)	Profit for the year before exception items	Revenue From Operations	16.08%	7.22%	122.61 %	Due to increase in turnover, resulting increase in profit
Return On Capital Employed	Profit Before Tax And Finance Costs	Average capital Employed = Net Worth + Deferred Tax Liabilities	51.49%	18.44%	179.29 %	Due to increase in turnover, resulting increase in profit
Return on Investment	Income Generated from Investment Funds	Average invested Funds				

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Particulars	As at March 31st, 2023	As at March 31st, 2022	
<b>37 Segment reporting</b>			
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 Ind -108 "Segment Reporting".			
B. Secondary segment			
Particulars *	India	Rest of the world	Total
i) Segment revenue	15,37,288.26 (8,81,823.00)	4,82,063.39 (20,781.23)	20,19,351.65 (9,02,604.23)
ii) Carrying cost of segment assets	16,60,458.03 (12,04,962.04)	-	16,60,458.03 (12,04,962.04)
iii) Addition to Fixed Assets	1,22,460.81 (40,130.38)	-	1,22,460.81 (40,130.38)

**Related party disclosures**

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As per Ind AS - 24 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	Managing Director	Rajesh Kumar Bhale	Director
Akash Sethi	Joint Managing Director	Mahesh Purohit	Director
Sushil Kumar Patni	Director	Varun Ravat	Director
Manali Tongia	Director		

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

Preena Salgiya	Wife of Joint Managing Director
Amita Sethi	Wife of Managing Director

Details of transactions and closing balances	As March 31st, 2023	at March 31st, 2022
Shree Coratomic Ltd		
Sale of Goods	6,720.00	26,376.00
Purchase of Goods	9,735.00	-
Closing Balance - Payable/(Receivable)	(1,29,980.44)	(1,96,343.64)
Mr. Atul Kumar Sethi		
Director Remuneration	27,600.00	27,600.00
Rent Paid	6,600.00	6,600.00
Closing Balance - Payable	79.80	45.31
Mrs. Amita Sethi		
Salary	6,000.00	6,000.00
Rent Paid	3,000.00	3,000.00
Closing Balance - Payable	50.08	47.01

For and on behalf of the Board of Directors

Atul Kumar Sethi Managing Director DIN:00245685	Akash Sethi Joint Managing Director DIN:08176396
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Ashok Atulkar Chief Financial Officer	Yash Bagora Company Secretary
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Mr. Vikas Gokhale Director Remuneration	-	10,567.80
Mr. Akash Sethi Director Remuneration	23,000.00	12,000.00
Closing Balance - Payable	1,029.04	24.36
Mrs. Preena Salgiya Professional Charges	3,000.00	3,000.00
Closing Balance - Payable	250.00	250.00

39. Previous year figures have been reclassified to conform to this year's classification.

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN:00245685

Akash Sethi  
Joint Managing Director  
DIN:08176396

Ashok Atulkar  
Chief Financial Officer

Yash Bagora  
Company Secretary

**Independent Auditors' Report on Consolidated Financial Statements****To the Members of Shree Pacetronix Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the consolidated financial statements of Shree Pacetronix Limited (hereinafter referred to as “the Holding Company”) and its subsidiary (Holding Company and its subsidiary together referred to as “the Group”), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

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 Companies Act, 2013 (“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 Group as at 31 March 2023, of its consolidated profit, consolidated changes in equity and consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters (‘KAM’) are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition</b></p> <p>The Company recognises revenue from the sales of implant devices to Hospitals and customers. The Company recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery to a customer. The Company records product sales net of estimated incentives/discounts, returns, rebates and other related charges. The actual point in time when revenue is recognised varies depending on the specific terms and conditions of the sales contracts entered with customers.</p> <p>Further, the Company has a large number of customers operating in various geographies and sales contracts with customers have a variety of different terms relating to the recognition of revenue, and price adjustments.</p> <p>We identified recognition of revenue from operations as a key audit matter because: Accrual towards rebates, discounts, returns and allowances is complex and requires significant judgments and estimates in relation to contractual agreements/commercial terms across various geographies. Any change in these estimates can have a significant financial impact.</p>	<p>Principal Audit Procedures Performed</p> <p>Our audit included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>a) Obtained an understanding of the management's process for revenue recognition (from sale to customers), judgments in estimation and accounting treatment of discount schemes, returns, rebates and regulatory compliance requirements;</li> <li>b) Evaluated the design and tested the operating effectiveness of the Company's internal controls, including general IT controls, key IT application controls exercised by the management, over recognition of revenue and measurement of various discount schemes, returns and rebates;</li> <li>c) Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during the year, and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/shipping documents;</li> <li>d) Performed cut-off testing procedures by testing samples of revenue transactions recorded during the year in specific periods before and after year end to conclude there has not been overstatement/ understatement of revenue recorded for the year;</li> <li>e) Obtained management workings for amounts recognised towards discount schemes, returns and rebates during the year and as at year end. On a sample basis, tested the underlying calculations for amounts recorded as accruals and provisions towards the aforementioned obligations, as per the terms of related schemes, contracts and regulations, and traced the underlying data to source documents;</li> <li>f) Evaluated historical accuracy of the</li> </ul>



		Company's estimates of year-end accruals pertaining to aforesaid arrangements made in the previous years to identify any management bias;
2	<p><b>Recoverability of investments in subsidiaries:</b></p> <p>The Company has investments of ₹80,00,000 in subsidiary being carried at cost in accordance with Ind AS 27 'Separate Financial Statements'. The Company assesses the recoverable amounts of each investment when impairment indicators exist by comparing the fair value (less costs of disposal) and carrying amount of that investment as on the reporting date.</p> <p>Management's assessment of whether there are impairment indications and estimate of the recoverable amounts of the identified investments determined through market observable inputs requires significant judgment in carrying out the impairment assessment. The key assumptions used in management's assessment of the recoverable amounts include, but are not limited to, projections of future cash flows, growth rates, estimated future operating and capital expenditure. Changes to these assumptions could lead to material changes in estimated recoverable amounts, resulting in either impairment or reversals of impairment taken in prior years.</p> <p>Considering the materiality and the inherent subjectivity which involves significant management judgment in predicting future cash flow projections, recoverability of investments in subsidiaries has been considered to be a key audit matter for the current period audit.</p>	<p>Our audit included, but was not limited to, the following procedures:</p> <ol style="list-style-type: none"> <li>a. Obtained an understanding of the management's process for identification of impairment indicators and tested the design and operating effectiveness of internal controls over such identification and impairment measurement through fair valuation of identified investments;</li> <li>b. Reconciled the cash flows to the business plans approved by the respective Board of Directors of the identified investee companies;</li> <li>c. Evaluated and challenged management's assumptions such as implied growth rates during explicit period, terminal growth rate, and targeting savings for their appropriateness based on our understanding of the business of the respective investee companies, past results and external factors such as industry trends and forecasts,</li> <li>d. Obtained and evaluated sensitivity analysis performed by the management on key assumptions of implied growth rates during explicit period, terminal growth rates and discount rates;</li> <li>e. Tested the mathematical accuracy of the management computations with regard to cash flows and sensitivity analysis;</li> <li>f. Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the current estimated recoverable amount for each of the identified investments to evaluate sufficiency of headroom</li> </ol>



		<p>between recoverable value and carrying amount; and</p> <p>g. Evaluated the adequacy of disclosures given in the standalone financial statements, including disclosure of significant assumptions, judgements and sensitivity analysis performed, in accordance with applicable accounting standards. Based on the audit procedures performed, we determined that the management’s assertion on the recoverability of investments in subsidiary is appropriate in the context of the standalone financial statements taken as a whole.</p>
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**Other Information**

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company’s Annual Report, but does not include the financial statements and our auditor’s report thereon. The Holding Company’s annual report is expected to be made available to us after the date of this auditor’s report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Management’s and Board of Directors’ Responsibilities for the Consolidated Financial Statements**

The Holding Company’s Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.





In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's



report. However, no future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

- A. As required by Section 143(3) of the Act, based on our audit, 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiary which is incorporated in India, as on 31 March 2023, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the Requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

The remuneration paid to any director by the Holding Company and its subsidiary companies, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any long-term contracts including derivative contracts during the year ended 31 March 2023.
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31 March 2023.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 2.24 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d)(i) and (d)(ii) contain any material mis-statement.
  
- v. No dividend declared or paid during the year by the Holding Company and its subsidiary company incorporated in India
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts in accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

For: S.R. Naredi & Co.  
Chartered Accountants  
Registration No. 002818C  
**UDIN : 23072014BGQMSW3334**

Place: Indore  
Date : May 30, 2023

CA S.R. Naredi  
Proprietor  
Membership No. 072014



**Annexure A to the Independent Auditors' Report on the consolidated financial statements of Shree Pacetronix Limited for the year ended 31 March 2023**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

In conjunction with our audit of the consolidated financial statements of Shree Pacetronix Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were generally operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were established and maintained and *zaif* 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 consolidated 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 that could have a material effect on the consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

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

For: S.R. Naredi & Co.  
Chartered Accountants  
Registration No. 002818C  
**UDIN: 23072014BGQMSW3334**

Place: Indore  
Date : May 30, 2023

CA S.R. Naredi  
Proprietor  
Membership No. 072014





## Consolidated Balance Sheet as at March 31, 2023

(In INR Rs.100)

Particulars	Note	As at March 31st, 2023	As at March 31st, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	3,03,343.72	2,46,578.86
Capital work-in-progress	2.2	1,65,990.41	1,65,010.68
Intangible assets	2.3	8,442.43	8,937.28
Financial assets			
- Other Financial Assets	3	54,877.37	50,463.52
Deferred tax assets (Net)	4	34,023.00	25,788.00
Income Tax Assets	5	6,694.63	4,325.90
<b>Total Non current assets</b>		<b>5,73,371.56</b>	<b>5,01,104.24</b>
<b>Current assets</b>			
Inventories	6	2,98,449.11	1,66,161.22
Financial assets			
- Trade receivables	7	4,71,126.87	3,23,325.92
- Cash and cash equivalents	8	7,125.08	89,427.81
- Bank Balance other than Cash & Cash Equivalents	9	77,211.10	53,672.75
- Loans	10	571.80	1,456.46
- Other Financial Assets	11	3,937.13	2,443.33
Other current assets	12	2,22,321.66	80,323.80
<b>Total current assets</b>		<b>10,80,742.75</b>	<b>7,16,811.28</b>
<b>TOTAL ASSETS</b>		<b>16,54,114.30</b>	<b>12,17,915.52</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	3,59,940.00	3,59,940.00
Other equity	14	6,07,414.30	2,81,448.77
Minority Interest		59.22	58.17
<b>Total Equity</b>		<b>9,67,413.52</b>	<b>6,41,446.94</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	15	35,636.87	58,675.88
- Other financial liabilities	16	3,600.00	3,600.00
<b>Total Non-current Liabilities</b>		<b>39,236.87</b>	<b>62,275.88</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	17	1,82,994.56	2,45,428.52
- Trade payables	18		
A) total outstanding dues of micro enterprises and small enterprises		3,547.54	3,206.14
B) total outstanding dues of creditors other than micro enterprises and small enterprises		57,819.06	11,920.67
- Other financial liabilities	19	82,084.76	55,623.24
Other current liabilities	20	1,71,344.90	1,25,127.51
Provisions	21	72,778.53	46,486.62
Income tax liabilities (net)	22	76,894.56	26,400.00
<b>Total Current Liabilities</b>		<b>6,47,463.91</b>	<b>5,14,192.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,54,114.30</b>	<b>12,17,915.52</b>

Significant Accounting Policies

The accompanying notes from an Integral part of the to the financial statements

1  
2 to 39

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2023

For and on behalf of the Board of Directors  
Atul Kumar Sethi  
Managing Director  
DIN- 00245685  
Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396  
Yash Bagora  
Company Secretary  
Date: May 30, 2023



## Consolidated Statement of Profit and Loss Year Ended March 31, 2023

(In INR Rs.)			
Particulars	Note	As at March 31st, 2023	As at March 31st, 2022
Revenue from operations	23	20,25,546.43	9,23,056.22
Other income	24	9,153.90	7,214.17
<b>Total Income</b>		<b>20,34,700.33</b>	<b>9,30,270.39</b>
<b>Expenses</b>			
Cost of materials consumed	25	7,25,786.05	3,01,688.79
Changes in inventories of finished goods, work in progress and stock-in-trade	26	(35,275.88)	10,432.26
Employee benefit expense	27	3,58,012.30	2,33,594.87
Finance costs	28	29,580.97	29,330.45
Depreciation and amortization expenses	2	62,862.70	49,753.37
Other expenses	29	4,31,700.52	1,99,423.89
<b>Total expenses</b>		<b>15,72,666.66</b>	<b>8,24,223.64</b>
<b>Profit/ (loss) before tax</b>		4,62,033.67	1,06,046.75
<b>Tax expense</b>			
Current tax		1,44,302.09	26,083.64
Deferred tax		(8,235.00)	1,882.40
<b>Profit/ (loss) for the period of continuing operation</b>		<b>3,25,966.58</b>	<b>78,080.71</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>3,25,966.58</b>	<b>78,080.71</b>
<b>Profit for the year attributable to</b>			
Equity Share Holders of the Company		3,25,965.53	78,069.46
Non Controlling Interest		1.05	11.25
<b>Other Comprehensive Income for the year attributable to</b>			
Equity Share Holders of the Company		3,25,965.53	78,069.46
Non Controlling Interest		1.05	11.25
<b>Earnings per equity share of face value of 10 each</b>			
a) Basic		9.06	2.17
b) Diluted		9.06	2.17
The accompanying notes from an Integral part of the to the financial statements	2 to 39		

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2023

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685  
Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396  
Yash Bagora  
Company Secretary  
Date: May 30, 2023



## Consolidated Statement of changes in equity for the year ended 31st March, 2023

## A. Equity Share Capital

## 1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
35,99,400	-	-	-	35,99,400

## 2) Previous Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3599400	-	-	-	35,99,400

## B. Other Equity

## 1) Current Reporting Period

(In INR Rs.100)

	Reserves and Surplus				Total
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other items of other Comprehensive Income	
Balance at the beginning of the current reporting period	15,000.00	57,861.08	2,08,584.03	-	2,81,445.11
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	3,25,966.58	-	3,25,966.58
Balance at the end of the current reporting period	15,000.00	57,861.08	5,34,550.62	-	6,07,411.70

## 2) Previous Reporting Period

	Reserves and Surplus				Total
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other items of other Comprehensive Income	
Balance at the beginning of the current reporting period	15,000.00	57,861.08	1,30,503.32	-	2,03,364.40
Changes in accounting policy/prior period errors	-	-	6,669.55	-	6,669.55
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	84,750.26	-	84,750.26
Balance at the end of the current reporting period	15,000.00	57,861.08	2,08,584.03	-	2,81,445.11

As per our report of even date attached  
 For: S.R. Naredi & Co.  
 Chartered Accountants  
 Firm Registration Number: 002818C CA S.R. Naredi  
 Proprietor  
 Membership Number: 072014  
 Place: Indore  
 Date: May 30, 2023

For and on behalf of the Board of Directors

Atul Kumar Sethi  
 Managing Director  
 DIN- 00245685  
 Ashok Atulkar  
 Chief Financial Officer  
 Place: Pithampur

Akash Sethi  
 Joint Managing Director  
 DIN-08176396  
 Yash Bagora  
 Company Secretary  
 Date: May 30, 2023



## Consolidated Cash Flow Statement as at March 31, 2023

(In INR Rs.100)

Particulars	As at March 31st, 2023	As at March 31st, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	4,62,033.67	1,06,046.75
Adjusted for:		
Depreciation and Amortization Expense	62,862.70	49,753.37
Interest Income	(7,007.59)	(4,517.89)
Interest paid	29,580.97	29,330.45
(Profit)/Loss on sale of fixed assets	428.11	(2,505.42)
	<u>85,864.19</u>	<u>72,060.51</u>
Operating Profit before Working Capital Changes	5,47,897.86	1,78,107.26
Adjusted for:		
Trade & other Receivables	(2,91,976.23)	(62,823.29)
Inventories	(1,32,287.89)	29,348.25
Trade & Other Payables	1,45,210.61	44,680.46
	<u>(2,79,053.51)</u>	<u>11,205.42</u>
Cash Generated from Operations	2,68,844.35	1,89,312.68
Taxes Paid	(94,607.97)	(13,183.64)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><b>1,74,236.38</b></u>	<u><b>1,76,129.04</b></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash flow from Other financial assets	(4,413.85)	(26,902.18)
Sale of Fixed Assets	2,900.00	6,500.00
Purchase of Fixed Assets	(1,23,440.54)	(40,656.82)
Bank balance other than cash and cash equivalents	(23,538.35)	(53,672.75)
Investment in fixed deposits with banks not considered as cash and cash equivalents	-	(8,554.86)
Interest Income	7,007.59	4,517.89
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u><b>(1,41,485.15)</b></u>	<u><b>(1,18,768.72)</b></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	(23,039.01)	(9,401.60)
Proceeds from Short Term Borrowings (Net)	(62,433.95)	(6,258.18)
Interest Paid	(29,580.97)	(29,330.45)
<b>NET CASH RECEIVED/ (USED) IN FINANCING ACTIVITIES</b>	<u><b>(1,15,053.94)</b></u>	<u><b>(44,990.23)</b></u>
Net Increase / Decrease (-) in Cash and Cash Equivalents	(82,302.71)	12,370.10
Opening Balance of Cash and Cash Equivalents	<u>89,427.80</u>	<u>77,057.70</u>
Closing Balance of Cash and Cash Equivalents	<u>7,125.09</u>	<u>89,427.80</u>

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2023

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685  
Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396  
Yash Bagora  
Company Secretary  
Date: May 30, 2023



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

### 1) Corporate information

Shree Pacetronix Limited (CIN: L33112MP1988PLC004317) ("the holding Company") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The registered office of the company is located at Plot no. 15, Sector – II, Pithampur, Dist. Dhar, Madhya Pradesh, 454775. The Consolidated Financial Statements comprises of Financial Statements of Shree Pacetronix Limited and its subsidiary Shree Coratomic Limited, (the Company and its subsidiaries together referred to as "the Group")

The Company is mainly engaged in the business of Manufacturing of Pacemaker ("Life Saving Devices").

The Board of Directors approved the standalone financial statements for the year ended March 31, 2023 and authorised for issue on May 30, 2023.

### 2) Basis of preparation

The consolidated financial statements of the Group as at and for the year ended 31st March, 2022 have been prepared and presented in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India (SEBI) and other relevant provisions of the Act and accounting principles generally accepted in India.

These consolidated financial statements have been prepared by the Group as a going concern on the basis of relevant IndAS.

These consolidated financial statements have been prepared on historical cost and on accrual basis except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Net defined benefit liability (refer accounting policy regarding employee benefit)

These consolidated financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Group. All amounts have been rounded to the nearest hundred (₹ 00), except when otherwise indicated.

#### Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

#### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

#### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.



The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

### Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Details of Group's components at the end of the year considered in preparation of the consolidated financial statements are as under:

Name of the Component	Country of Incorporation	% voting power held as at 31.03.2023	% voting power held as at 31.03.2022
<b>Shree Coratomic Limited</b>	India	99.91%	99.91%

The re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

### Consolidation procedures:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.  
Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, if any.

The profit and other comprehensive income attributable to non-controlling interest of subsidiaries are shown separately in the consolidated profit or loss and consolidated statement of changes in equity.

### 3) Significant Accounting Judgments, Estimates And Assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be prudent and reasonable under the circumstances existing when the standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis by management at each reporting date. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known/ materialised.

Following are the critical judgments and estimates





### 3.1 Judgements

#### i) Leases

Ind AS 116 -Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

#### ii) Income Taxes

The tax jurisdictions for the Group is India, though the Group file its tax returns in India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. In assessing the realisability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

#### iii) Research & Development Expenditure

Management monitors progress of internal research & development projects Development costs are recognised as an asset when all the criteria are met whereas research cost is expenses as and when incurred. Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary due to inherent uncertainty in the economic success of any product development.

#### iv) Provisions & Contingent Liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

#### v) Business Combination

The Group uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date, determining whether control is transferred from one party to another and whether acquisition constitute a business or asset acquisition. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

### 3.2 Estimates

#### i) Useful lives of property plant & equipment and intangible assets

Property, plant and equipment, and intangibles assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an



asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### **ii) Accounting for defined benefit plans**

In accounting for post-retirement benefits, several statistical and other factors that attempt to anticipate future events are used to calculate plan expenses and liabilities. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgement. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

#### **iii) Impairment of non financial assets**

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or cash generating unit's is the higher of the asset's fair value less cost to sell and value in use. In assessing the value in use the estimated future cash flows are discounted to their present value using pre tax discount rate that reflects current market assessments of the time value of the money and risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

#### **iv) Fair value of Financial Instruments**

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **4) Accounting Policies**

#### **a) Property Plant & Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group depreciates property, plant and equipment over their estimated useful lives using the written down value method.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advance under non-current assets. Capital work-in-progress included in non-current assets comprises of direct costs, related incidental expenses and attributable interest. Capital work-in-progress are not depreciated as these assets are not yet available for use.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

An item of property, plant and equipment, is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

#### **b) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date that



they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Expenditure pertaining to research is recognized on statement of profit and loss as and when incurred by the entity. Development cost charged to Statement of profit and loss unless product's technological and commercial feasibility has been established and the Group has sufficient resources to complete the development and to use and sell the asset in which case such expenditure is capitalised.

The Group amortises intangible assets with a finite useful life using the straight-line method over the following useful lives:

Type of asset	Useful lives
<b>Technological Know-how</b>	10 Years
<b>Product Related Technology</b>	10 Years
<b>Technological Purchase</b>	-

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date.

#### **Dereognition**

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the profit or loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as at the date of de-recognition

#### **c) Impairment of Non Financial Assets**

The Group assesses, at each reporting date to determine that whether there is a indication that asset may be impaired based on internal & external factors. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount of an asset or cash generating unit's is the higher of the asset's fair value less cost to sell and value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **d) Borrowings Costs**

Borrowing costs consists of interest, ancillary costs and other costs in connection with the borrowing of funds. Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets; up to the date such assets are ready for their intended use. Other borrowing costs are charged to the profit or loss.

#### **e) Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items denominated in foreign currency at prevailing reporting date exchange rates are recognised in profit or loss. Non-monetary items are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

#### **f) Inventories**

Inventories are valued at the lower of cost and net realisable value. Inventories consist of raw materials, sub-assemblies and components, work-in-progress and finished goods and are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate proportion of overheads based on normal operating capacity.



Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The factors that the Group considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, aging of inventory and introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

#### **g) Revenue Recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The majority of customer contracts that the Group enters into consist of a single performance obligation for the delivery of "**Life Saving Devices**". The Group recognises revenue from product sales when control of the product transfers, generally upon shipment or delivery, to the customer, or in certain cases, upon the corresponding sales by customer to a third party.

Revenues are recorded in the amount of consideration to which the Group expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price received or receivable (net of variable consideration) like returns, Goods and Services Tax (GST), discounts, allowances, incentives and other related charges.

Contracts for the sale of goods provide customers with a right to replacement, return defective / damaged products and discount and rebates on sales. The rights to replacement return and discount and rebates on sales give rise to variable consideration.

These are generally accounted for as variable consideration estimated in the same period the related sales occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. The revenue for such variable consideration is included in the Group's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty is resolved. In making this assessment the Group considers its historical record of performance on similar contracts.

#### **Other Income**

Other Income is comprised primarily of interest income. Interest income is recognized on accrual basis.

#### **h) Employee Benefit Expenses**

##### **(i) Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc., and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### **(ii) Defined Contribution Plan**

Retirement benefits in the form of provident fund are a defined contribution scheme. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. The Company does not have any obligation other than the contribution made

##### **(iii) Defined Benefit Plans**

Post retirement benefit plan such as gratuity plan, which requires contributions to be made to a separately administered fund. The benefit plan surplus or deficit on the balance sheet comprises the total for each of the fair value of the plan assets less the present value of the defined liabilities. In accordance with Indian law, the company deposited in a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sump payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of services. Vesting occurs upon completion of five continuous years of services.



Liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. There is no Liability in respect of compensated absences becoming due or expected to be availed more than one year after the reporting date.

#### **i) Taxes**

Income tax expense comprises of current tax expense and deferred tax expense/benefit. Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity. In such cases, the income tax expense is also recognised in the other comprehensive income or directly in the equity as applicable.

#### **Current income taxes**

Current income tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the applicable income tax law. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Deferred Taxes**

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiary where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or inequity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **j) Segment Reporting**

The Company is engaged in the business of “**Life Saving Devices**”. The Chief Operating Decision Maker review the operating results of the Company as a whole for purposes of making decisions about resources to be allocated and assess its performance. The entire operations are classified as a single segment, namely “**Life Saving Devices**”.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

#### **k) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**“The Holding Company” as lessee**





The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense.

#### **l) Cash & cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

#### **m) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### **Post sales replacement**

The Group provides its customers with replacement of "Life Saving Devices" at nominal cost during the lifecycle of product. The company estimates such costs based on historical experience and estimates reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

#### **n) Contingencies**

Contingent liabilities are recognised when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

#### **o) Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.



**p) Financial Instruments****i) Recognition & Initial Measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables are initially recognised when they are originated at transaction price. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii) Classification and subsequent measurement****Financial Assets**

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair value through other comprehensive income ('FVOCI') or Fair value through profit and loss ('FVTPL').

**Financial Assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial Assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial Assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

**• Financial Liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

**iii) De-recognition****• Financial Assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.



If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### • Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### iv) Off-setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### v) Impairment of financial assets

Impairment of financial assets In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are measured at FVTOCI
- c) Lease receivables under Ind AS 116 ;
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the net cash flows, an entity is required to consider:

- a. All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- b. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms, as a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every



reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as (income) / expense in the statement of profit and loss (P&L).

- c. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount. For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.
- The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### v) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment loss (if any) as per the Ind as 27- 'Separate Financial Statements' .

- **Impairment of investments:**

The Group reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

#### vi) Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue cost.

#### q) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

##### **Ind AS 12-IncomeTaxes-**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and off setting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its standalone financial statement.

##### **Ind AS 1-Presentation of Financial Statements-**

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

##### **Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors-**

This amendment has introduced a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its standalone financial statements.

#### **For and on behalf of the Board of Directors**

Atul Kumar Sethi Managing Director DIN:00245685	Akash Sethi Joint Managing Director DIN:08176396
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Ashok Atulkar Chief Financial Officer	Yash Bagora Company Secretary
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**Place:** Pithampur

**Date:** May 30,2023

2.1 Property, Plant and Equipment

(In INR Rs.100)

The change in the carrying value of property, plant and equipment for the year ended March 31, 2023 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machinery	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2022	1933.50	167654.55	645458.21	62826.04	108823.27	23456.28	43629.62	2453.92	1036235.39
Additions	0.00	6759.20	70503.93	4794.61	24054.91	12521.49	3826.67	0.00	122460.81
Deletions	0.00	0.00	0.00	0.00	10935.29	0.00	0.00	0.00	10935.29
<b>Gross Carrying value March 31, 2023</b>	<b>1933.50</b>	<b>174413.75</b>	<b>715962.14</b>	<b>67620.65</b>	<b>121942.89</b>	<b>35977.77</b>	<b>47456.29</b>	<b>2453.92</b>	<b>1167760.91</b>
Accumulated depreciation April 1, 2022	0.00	119090.46	522266.52	43945.13	62064.31	19991.29	39844.90	2453.92	809656.53
Depreciation for the year	0.00	4765.66	28977.50	5060.82	19142.70	2839.93	1581.23	0.00	62367.84
Accumulated depreciation on deletions	0.00	0.00	0.00	0.00	7607.18	0.00	0.00	0.00	7607.18
<b>Accumulated depreciation March 31, 2023</b>	<b>0.00</b>	<b>123856.12</b>	<b>551244.02</b>	<b>49005.95</b>	<b>73599.83</b>	<b>22831.22</b>	<b>41426.13</b>	<b>2453.92</b>	<b>864417.19</b>
Carrying value as at March 31, 2023	1933.50	50557.63	164718.12	18614.70	48343.06	13146.55	6030.16	0.00	303343.72
Carrying value as at April 1, 2022	1933.50	48564.09	123191.69	18880.91	46758.96	3464.99	3784.72	0.00	246578.86

The change in the carrying value of property, plant and equipment for the year ended March 31, 2022 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machinery	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2021	1933.50	167654.55	635927.26	59493.60	103925.79	21714.36	41580.79	2453.92	1034683.77
Additions	0.00	0.00	9530.95	3332.44	23026.24	1741.92	2048.83	0.00	39680.38
Deletions	0.00	0.00	0.00	0.00	18128.76	0.00	0.00	0.00	18128.76
<b>Gross Carrying value March 31, 2022</b>	<b>1933.50</b>	<b>167654.55</b>	<b>645458.21</b>	<b>62826.04</b>	<b>108823.27</b>	<b>23456.28</b>	<b>43629.62</b>	<b>2453.92</b>	<b>1056235.39</b>
Accumulated depreciation April 1, 2021	0.00	113959.96	497348.55	38877.63	63866.79	18962.25	39081.74	2453.92	774550.84
Depreciation for the year	0.00	5130.50	24917.97	5067.50	12331.70	1029.04	763.16	0.00	49239.87
Accumulated depreciation on deletions	0.00	0.00	0.00	0.00	14134.18	0.00	0.00	0.00	14134.18
<b>Accumulated depreciation March 31, 2022</b>	<b>0.00</b>	<b>119090.46</b>	<b>522266.52</b>	<b>43945.13</b>	<b>62064.31</b>	<b>19991.29</b>	<b>39844.90</b>	<b>2453.92</b>	<b>809656.53</b>
Carrying value as at March 31, 2022	1933.50	48564.09	123191.69	18880.91	46758.96	3464.99	3784.72	0.00	246578.86
Carrying value as at April 1, 2021	1933.50	53694.59	138578.71	20615.97	40059.00	2752.11	2499.05	0.00	260132.93



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

### 2.2 Capital work-in-progress

The change in the carrying value of capital work in progress for the year ended March 31,2023 were as follow:

Particulars	Capital Work in Progress	Total
Gross Carrying value April 1, 2022	165010.68	165010.68
Additions	979.73	979.73
Deletions	0.00	0.00
Gross Carrying value March 31, 2023	<b>165990.41</b>	<b>165990.41</b>
Accumulated depreciation April 1, 2022	0.00	0.00
Depreciation for the year	0.00	0.00
Accumulated depreciation on deletions	0.00	0.00
Accumulated depreciation March 31, 2023	<b>0.00</b>	<b>0.00</b>
Carrying value as at March 31, 2023	165990.41	165990.41
Carrying value as at April 1, 2022	165010.68	165010.68

### CWIP aging schedule for the year ended March 31,2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	979.73	526.44	9,567.50	1,54,916.74	1,65,990.41
Projects temporarily suspended	-	-	-	-	-

The change in the carrying value of capital work in progress for the year ended March 31,2022 were as follow:

Particulars	Capital Work in Progress	Total
Gross Carrying value April 1, 2021	164484.24	164484.24
Additions	526.44	526.44
Deletions	0.00	0.00
Gross Carrying value March 31, 2022	<b>165010.68</b>	<b>165010.68</b>
Accumulated depreciation April1, 2021	0.00	0.00
Depreciation for the year	0.00	0.00
Accumulated depreciation on deletions	0.00	0.00
Accumulated depreciation March 31, 2022	<b>0.00</b>	<b>0.00</b>
Carrying value as at March 31, 2022	165010.68	165010.68
Carrying value as at April 1, 2021	164484.24	164484.24

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN:00245685

AkashSethi  
Joint Managing Director  
DIN:08176396

Ashok Atulkar  
Chief Financial Officer

YashBagora  
Company Secretary



## CWIP aging schedule for the year ended March 31,2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	526.44	9,567.50	74,222.16	80,694.58	1,65,010.68
Projects temporarily suspended	-	-	-	-	-

## 2.3 Intangible Assets

The change in the carrying value of Intangible Assets for the year ended March 31,2023 were as follow:

Particulars	Intangible Asset	Total
Gross Carrying value April 1, 2022	166058.14	166058.14
Additions	0.00	0.00
Deletions	0.00	0.00
Gross Carrying value March 31, 2023	<b>166058.14</b>	<b>166058.14</b>
Accumulated depreciation April 1, 2022	157120.86	157120.86
Depreciation for the year	494.86	494.86
Accumulated depreciation on deletions	0.00	0.00
Accumulated depreciation March 31, 2023	<b>157615.72</b>	<b>157615.72</b>
Carrying value as at March 31, 2023	8442.43	8442.43
Carrying value as at April 1, 2022	8937.28	8937.28

The change in the carrying value of Intangible Assets for the year ended March 31,2022 were as follow:

Particulars	Intangible Asset	Total
Gross Carrying value April 1, 2021	165608.14	8560814.00
Additions	450.00	0.00
Deletions	0.00	0.00
Gross Carrying value March 31, 2022	<b>166058.14</b>	<b>8560814.00</b>
Accumulated depreciation April 1, 2021	156607.36	156607.36
Depreciation for the year	513.50	513.50
Accumulated depreciation on deletions	0.00	0.00
Accumulated depreciation March 31, 2022	<b>157120.86</b>	<b>157120.86</b>
Carrying value as at March 31, 2022	8937.28	8937.28
Carrying value as at April 1, 2021	9000.78	9000.78

For and on behalf of the Board of Directors

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DIN:00245685

AkashSethi  
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Chief Financial Officer

YashBagora  
Company Secretary





Particulars	As at March 31st, 2023	As at March 31st, 2022
<b>3 Other financial assets</b>		
(Unsecured, considered good )		
Non-current bank balances being deposits with remaining maturity of more than twelve months	29,583.22	30,457.90
Security and other deposits	25,294.15	20,005.62
	<b>54,877.37</b>	<b>50,463.52</b>
<b>4 Deferred tax assets (Net)</b>		
The movement on the deferred tax account is as follows:		
At the start of the year	25,788.00	27,670.40
Charge to Statement of Profit and Loss	8,235.00	(1,882.40)
<b>At the end of year</b>	<b>34,023.00</b>	<b>25,788.00</b>
<b>Component of Deferred tax assets/(liabilities)</b>		
Deferred tax assets in relation to:		
Property, plant and equipment	12,236.25	10,171.05
Provisions	21,786.75	15,616.95
<b>Total</b>	<b>34,023.00</b>	<b>25,788.00</b>
<b>5 Income Tax Assets (Net)</b>		
MAT Receivable	6,694.63	4,325.90
	<b>6,694.63</b>	<b>4,325.90</b>
<b>6 Inventories</b>		
Finished goods	68,291.82	52,289.08
Stock-in-process	48,720.84	29,447.70
Raw materials	1,81,436.45	84,424.44
	<b>2,98,449.11</b>	<b>1,66,161.22</b>
<b>7 Trade receivables</b>		
Trade receivables considered good - Unsecured	4,71,126.87	3,23,325.92
	<b>4,71,126.87</b>	<b>3,23,325.92</b>

**Trade receivables aging schedule as at 31.03.2023**

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	more than 3 years	
1) Undisputed Trade receivables – considered good	3,39,609.27	87,669.43	8,798.78	2,880.41	32,168.98	4,71,126.87

For and on behalf of the Board of Directors

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Ashok Atulkar  
Chief Financial Officer

YashBagora  
Company Secretary

**Trade receivables aging schedule as at 31.03.2022**

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	more than 3 years	
1) Undisputed Trade receivables – considered good	216,018.86	32892.00	15384.54	36,480.13	22,550.39	323,325.92

**8 Cash and cash Equivalents**

Cash on hand	1,192.55	1,682.69
FDR in Bank with maturity less than twelve months	5,381.56	2,534.53
Balance with Bank of India Current Account	201.99	201.99
Balance with ICICI Bank Ltd	348.99	85,008.60
	<b><u>7,125.08</u></b>	<b><u>89,427.81</u></b>

**9 Bank Balance other than Cash and Cash Equivalents**

Deposits with maturity more than three months but less than twelve months	77,211.10	53,672.75
	<b><u>77,211.10</u></b>	<b><u>53,672.75</u></b>

**10 Loans - Current**

Loans and advances to employees	571.80	1,456.46
	<b><u>571.80</u></b>	<b><u>1,456.46</u></b>

**11 Other Financial Assets****Others**

Accrued Interest on Fixed Deposit with Banks	3,937.13	2,443.33
	<b><u>3,937.13</u></b>	<b><u>2,443.33</u></b>

**12 Other current assets**

(Unsecured, considered good )

Advance to vendors	1,45,997.49	63,280.77
Advances recoverable in cash or kind	76,324.17	15,536.52
TDS Receivable	-	1,506.51
	<b><u>2,22,321.66</u></b>	<b><u>80,323.80</u></b>

For and on behalf of the Board of Directors

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YashBagora  
Company Secretary



(In INR Rs.100)

Particulars	As at March 31st, 2023	As at March 31st, 2022
<b>13 Share capital</b>		
<b>Authorized</b>		
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	5,00,000.00	5,00,000.00
<b>Issued, subscribed and paid up</b>		
35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	3,59,940.00	3,59,940.00
	<b>3,59,940.00</b>	<b>3,59,940.00</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. 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 31st, 2023 No. of shares	As at March 31st, 2022 No. of shares
Balance as at the beginning of the year	3599400	3599400
Add: Shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>3599400</b>	<b>3599400</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, 2023	Percentage holding as at March 31, 2022
Mr. Atul Kumar Sethi 705506 (Previous year: 705506) shares of Rs.10 each	19.60%	19.60%
Bio Pace Technology 570087 (Previous year: 598087) shares of Rs.10 each	15.84%	16.62%
Mathew Samul Kalarickal 416795 (Previous year: 423032) shares of Rs.10 each	11.58%	11.75%

For and on behalf of the Board of Directors

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Joint Managing Director  
DIN:08176396

Ashok Atulkar  
Chief Financial Officer

YashBagora  
Company Secretary



## (d) Share holding of promoters

Sr. No	Promoters Name	No. of Shares	% of total Shares	% Change during the year
1	Atul Kumar Sethi	705506	19.60%	-
2	Amita Sethi	115074	3.20%	-
3	Ashish Sethi	39477	1.10%	-
4	Akash Sethi	12699	0.35%	-
<b>Total</b>		<b>872756</b>	<b>24.25%</b>	<b>-</b>

## 14 Other Equity

	March 31, 2023 <u>Rupees</u>	March 31, 2022 <u>Rupees</u>
<b>Capital investment subsidy</b>		
Balance as per last Financial Statements	15,000.00	15,000.00
Balance as at the end of the year	<u>15,000.00</u>	<u>15,000.00</u>
<b>Securities Premium</b>		
Balance as per last Financial Statements	57,861.08	57,861.08
Add: Increase during the year	-	-
Balance as at the end of the year	<u>57,861.08</u>	<u>57,861.08</u>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as per last Financial Statements	2,08,587.69	1,30,518.23
Profit/ (Loss) for the year	3,25,965.53	78,069.46
Balance at the end of the year	<u>5,34,553.22</u>	<u>2,08,587.69</u>
	<b><u>6,07,414.30</u></b>	<b><u>2,81,448.77</u></b>

## 15 Borrowings

**Term loan - Secured****a) From Banks**

HDFC Bank Ltd. (Car) Magnite	-	1,218.19
Bank of India	5,111.36	20,444.60
Bank of India	23,000.00	23,000.00
Bank of Baroda (Car) Innova	-	11,513.09
Chola mandalam Investment and Finance Company Limited	5,025.51	-

**Loans Unsecured****a) Loan from related parties**

Loan from Directors	2,500.00	2,500.00
	<b><u>35,636.87</u></b>	<b><u>58,675.88</u></b>

For and on behalf of the Board of Directors

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**Nature of security:****Secured loans**

- 1 Term loans from HDFC Bank Ltd and Chola Mandalam Investment and Finance Company Limited are secured by hypothecation of vehicles.
- 2 Loan under STAR GECL from Bank of India is secured by Hypothecation of Stock, Book Debts and Plant and Machineries as primary security and Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar as collateral security, personal guarantee of Shri Atul Kumar Sethi, Smt. Amita Sethi and Shri Akash Sethi and guaranteed by National Credit Gurantee Trustee Company (NCGTC).

**Maturity profile of long term borrowings****Secured loans**

2023-24	-	18,147.42
2024-25	16,851.76	22,804.22
2025-26 and onwards	18,785.11	17,724.24
	<b>35,636.87</b>	<b>58,675.88</b>

**16 Other Long term Liabilities**

Deposit from Customers	3,600.00	3,600.00
	<b>3,600.00</b>	<b>3,600.00</b>

**Short Term Borrowings**

17

**a) Working Capital Loan - Secured**

From Bank of India	1,62,889.70	2,13,245.10
b) Current maturities of long term borrowings	20,104.86	32,183.42
	<b>1,82,994.56</b>	<b>2,45,428.52</b>

\*Working Capital Loan from Bank of India is secured by Hypothecation of Stock, Book Debts and Plant and Machineries as primary security and Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar as collateral security, personal guarantee of Shri Atul Kumar Sethi, Smt. Amita Sethi and Shri Akash Sethi.

\*\* It includes loan from Bank of India, Chola Mandalam Investment and Finance Company Limited and HDFC Bank Ltd to be repayable within a period of one year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.

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**18 Trade payables**

Sundry Creditor	61,366.60	15,126.81
	<b>61,366.60</b>	<b>15,126.81</b>

Trade payables aging schedule as at 31.03.2023

Sr.No.	Particulars	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	MSME	3,547.54	-	-	-	<b>3,547.54</b>
ii)	Others	57,222.15	113.87	483.04	-	<b>57,819.06</b>
	<b>Total</b>	<b>60,769.69</b>	<b>113.87</b>	<b>483.04</b>	-	<b>61,366.60</b>

Trade payables aging schedule as at 31.03.2022

Sr.No.	Particulars	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	MSME	3,206.14	-	-	-	<b>3,206.14</b>
ii)	Others	11,437.63	483.04	-	-	<b>11,920.67</b>
	<b>Total</b>	<b>14,643.77</b>	<b>483.04</b>	-	-	<b>15,126.81</b>

The MSME Classification is done as per intimation received from vendor regarding MSME Registration.

**19 Other financial liabilities**

Other payables	82,084.76	55,623.24
	<b>82,084.76</b>	<b>55,623.24</b>

**20 Other current liabilities**

Statutory dues	8,714.36	10,252.42
Advance from customers	1,62,630.54	1,14,875.09
	<b>1,71,344.90</b>	<b>1,25,127.51</b>

**21 Short Term Provisions**

Provision for Employee benefits	72,778.53	46,486.62
	<b>72,778.53</b>	<b>46,486.62</b>

**22 Income Tax Liabilities**

Provision for income tax	76,894.56	26,400.00
	<b>76,894.56</b>	<b>26,400.00</b>

**23 Revenue from operations**

Sale of products (Net of Taxes)	20,25,546.43	9,23,056.22
	<b>20,25,546.43</b>	<b>9,23,056.22</b>

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<b>24 Other income</b>		
Interest	7,007.59	4,517.89
Profit/(Loss) on sale of fixed assets	(428.11)	2,505.42
Other Receipts	2,574.42	190.86
	<b>9,153.90</b>	<b>7,214.17</b>
<b>25 Cost of materials consumed</b>		
Inventory at the beginning of the year	84,424.44	1,03,340.43
Add: Purchases	8,22,798.06	2,82,772.80
Less: Inventory at the end of the year	1,81,436.45	84,424.44
	<b>7,25,786.05</b>	<b>3,01,688.79</b>
<b>Changes in inventories of finished goods and work-in-progress and</b>		
<b>26 stock-in-trade</b>		
<b>Inventory at the beginning of the year (a)</b>		
Finished goods	52,289.08	59,165.60
Stock in process	29,447.70	33,003.44
	<b>81,736.78</b>	<b>92,169.04</b>
<b>Inventory at the end of the year (b)</b>		
Finished goods	68,291.82	52,289.08
Stock in process	48,720.84	29,447.70
	1,17,012.66	81,736.78
<b>Increase in inventories (a) - (b)</b>	<b>(35,275.88)</b>	<b>10,432.26</b>
<b>27 Employee benefits expense</b>		
Salaries and wages	3,13,611.64	2,16,352.45
Contribution to provident and other funds	31,290.11	12,348.87
Staff welfare expenses	13,110.55	4,893.55
	<b>3,58,012.30</b>	<b>2,33,594.87</b>
<b>28 Finance costs</b>		
Interest on term loan	6,573.62	5,816.61
Interest-others	18,117.24	21,845.47
Bank charges	4,890.11	1,668.37
	<b>29,580.97</b>	<b>29,330.45</b>

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Particulars	As at March 31st, 2023	As at March 31st, 2022
<b>29 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	547.46	322.96
Exchange difference (net)	6,617.91	-
Freight inward	7,527.67	3,041.02
Insurance	1,204.01	3,915.33
Job Work & Labour Charges	13,069.04	5,467.60
Laboratory Expenses	3,161.20	2,218.87
Power, fuel and water	12,805.44	9,908.15
Repairs to Others	7,858.61	3,184.76
Repairs to buildings	7,362.22	16,862.99
Repairs to plant and equipments	2,892.76	4,041.53
	<b>63,046.32</b>	<b>48,963.21</b>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	6,719.76	1,388.94
Packing materials	19,076.25	4,532.70
Commission	15,129.50	4,378.34
Implantation Charges	9,600.00	2,004.00
Travelling expenses	73,567.66	37,993.03
Freight outward	8,185.15	1,770.09
Selling and business promotion expenses	24,480.58	10,769.03
Tender Expenses	496.00	281.13
	<b>1,57,254.90</b>	<b>63,117.26</b>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	2,650.00	1,850.00
Conveyance	12,785.89	1,949.46
Courier and postage charges	1,167.92	815.12
Legal and Professional Expenses	49,269.99	20,414.51
Miscellaneous expenses	5,776.03	8,096.32
Printing and stationery	1,851.74	958.85
Rates and taxes	13,664.62	5,205.62
Rent	11,860.80	11,750.25
Telephone and mobile expenses	526.06	638.25
Vehicle running & Maintenance Expenses	25,037.12	12,535.84
R & D Expenses	66,810.47	23,129.21
Bad Debts/Debit Balance Written off	16,144.97	
Donation	3,160.00	
Security Charges	693.68	

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	<u>2,11,399.30</u>	<u>87,343.43</u>
(a)+(b)+(c)	<u>4,31,700.52</u>	<u>1,99,423.89</u>

(In INR Rs.100)

Particulars	As at March 31st, 2023	As at March 31st, 2022
<b>30 Taxation</b>		
Income tax recognised in Statement of Profit and Loss		
Current tax	1,44,302.09	26,083.64
Deferred tax	(8,235.00)	1,882.40
<b>Total income tax expenses recognised in the current year</b>	<u>1,36,067.09</u>	<u>27,966.04</u>
<b>31 Earnings per share</b>		
Profit after tax (a)	3,25,966.58	78,080.71
Weighted average number of equity shares outstanding (b)	35,99,400	35,99,400
Nominal value of an equity share	10	10
Earnings per share		
Basic [(a) / (b)]	9.06	2.17
Diluted [(a) / (b)]	9.06	2.17
<b>32 Contingent liabilities</b>		
(i) Corporate Guarantee	70,000.00	70,000.00
(ii) Bank Guarantee	49,831.36	27,824.04
The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary company (shree coratomic limited).		
The Company has filed appeal against demand of rupees 20.00 Lakhs under Goods and Services Tax Act. This demand is covered by Bank Guarantee		
<b>33 Payment to auditors</b>		
For statutory audit	2,000.00	1,300.00
For tax audit	300.00	200.00
<b>34 Capital commitments</b>		25,742.80

The Company is contractually committed (net of advances) Rs 25,74,280 as on 31.03.2022 for purchase of Property, Plant and Equipment.

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**35. FINANCIAL RISK MANAGEMENT****Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, long-term loans, cash and cash equivalents.

The Company's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable.

The credit policy requires each new customer to be analyzed individually for credit worthiness before delivery and payment terms are offered.

Other receivables consist primarily of security deposits, loans to employees and other receivables. The risk of default is assessed as low.

The credit risk surrounding loans receivable is assessed as low risk.

Credit risk on cash and cash equivalents is assessed as low risk as the Company deposits cash surpluses with financial institutions of high quality and standing.

**Liquidity Risk**

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 March 2023 based on contractual undiscounted payments.

Particulars	(Rs. In Lakhs)				
	Less than one year	1-2 Years	2-4 Years	>4 Years	Total
Trade Payable	60.77	0.11	0.48	0.00	61.36
Long Term borrowings (Including current maturities)	20.11	14.35	11.07	10.21	55.74
Short Term borrowings	162.89	0.00	0.00	0.00	162.89
Others	74.85	2.56	2.90	1.78	82.09

**Interest Rate Risk**

For and on behalf of the Board of Directors

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Managing Director  
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The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offers the best rates which enables the Company to maximize returns whilst minimizing risk.

(In INR Rs.100)

Particulars	As at March 31st, 2023	As at March 31st, 2022
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**36 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 Ind -108 "Segment Reporting".

**B. Secondary segment**

Particulars *	India	Rest of the world	Total
i) Segment revenue	15,43,483.04	4,82,063.39	20,25,546.43
	(9,02,274.99)	(20,781.23)	(9,23,056.22)
ii) Carrying cost of segment assets	16,54,114.30	-	16,54,114.30
	(12,17,915.52)	-	(12,17,915.52)
iii) Addition to Fixed Assets	1,22,460.81	-	1,22,460.81
	(40,13,038.00)	-	(40,13,038.00)

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

**37 Related party disclosures**

As per Ind AS - 24 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	Managing Director	Rajesh Kumar Bhale	Director
Akash Sethi	Joint Managing Director	Mahesh Purohit	Director
Sushil Kumar Patni	Director	Varun Ravat	Director
Manali Tongia	Director		

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

Preena Salgiya	Wife of Joint Managing Director
Amita Sethi	Wife of Managing Director

For and on behalf of the Board of Directors

Atul Kumar Sethi Managing Director DIN:00245685	Akash Sethi Joint Managing Director DIN:08176396
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Ashok Atulkar Chief Financial Officer	Yash Bagora Company Secretary
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## Details of transactions and closing balances

	As at March 31st, 2023	As at March 31st, 2022
<b>Mr. Atul Kumar Sethi</b>		
Director Remuneration	27,600.00	27,600.00
Rent Paid	6,600.00	6,600.00
Closing Balance - Payable	79.80	45.31
<b>Mrs. Amita Sethi</b>		
Salary	6,000.00	6,000.00
Rent Paid	3,000.00	3,000.00
Closing Balance - Payable	50.08	47.01
<b>Mr. Vikas Gokhale</b>		
Director Remuneration	-	10,567.80
<b>Mr. Akash Sethi</b>		
Director Remuneration	23,000.00	12,000.00
Closing Balance - Payable	1,029.04	24.36
<b>Mrs. Preena Salgiya</b>		
Professional Charges	3,000.00	3,000.00
Closing Balance - Payable	250.00	250.00
<b>Biopace Technology</b>		
Consultancy Charges	16,442.31	-

38							
(xiv)	Ratios	Numerator	Denominator	FY 2022-23	FY 2021-22	Change	Explanation
	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.67	1.39	19.74%	
	Debt-Equity Ratio (in times)	Long Term Borrowings	Total Equity	0.04	0.09	-59.73%	Due to increase in profit
	Debt-Service Coverage Ratio	Earnings for Debt service = Net profit after tax + Non-cash operating expenses + interest + other non cash adjustments + Interest on debt debited in P&L	Debt service = Interest + Principal Repayment (Non-Current debts only)	7.80	2.76	182.80%	Due to increase in profit

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	Return on Equity Ratio (in times)	Profit for the year less preference dividend (if any)	Average Total Equity	40.52%	12.96%	212.63%	Due to increase in turnover, resulting increase in profit
	Inventory Turnover Ratio (in times)	Revenue From Operations	Average Inventory	8.72	5.10	70.82%	Due to Increase in turnover.
	Trade Receivable Turnover Ratio (in times)	Revenue From Operations	Average Trade Receivable	5.10	2.95	72.71%	Due to Increase in turnover.
	Trade Payable Turnover Ratio (in times)	Revenue From Operations	Average Trade Payable	52.96	36.82	43.82%	Due to Increase in turnover.
	Net Capital Turnover Ratio (in times)	Revenue From Operations	Working Capital (i.e. Total current assets less Total Current Liabilities)	4.67	4.56	2.62%	Due to Increase in turnover.
	Net Profit Ratio (in %)	Profit for the year before exception items	Revenue From Operations	16.09%	8.46%	90.25%	Due to increase in turnover, resulting increase in profit
	Return On Capital Employed	Profit Before Tax And Finance Costs	Average capital Employed Capital Employed = Net Worth + Deferred Tax Liabilities	52.67%	21.99%	139.53%	Due to increase in turnover, resulting increase in profit
	Return on Investment	Income Generated from Investment Funds	Average invested Funds				

39. Previous year figures have been reclassified to conform to this year's classification.

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