

**27<sup>th</sup>**  
**ANNUAL REPORT**  
**2014 - 2015**



**Shree Pacetrnix Ltd.**

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*Technology Serving Humanity*

*An ISO-9001 Company*

<b>MANAGING DIRECTOR</b>	-	SHRIATUL KUMAR SETHI
<b>WHOLE TIME DIRECTOR</b>	-	SMT.AMITA SETHI
<b>WHOLE TIME DIRECTOR</b>	-	SHRI VIKAS GOKHALE
<b>INDEPENDENT DIRECTOR</b>	-	SHRI SUSHIL PATNI
<b>INDEPENDENT DIRECTOR</b>	-	SHRI ANIL RATHI
<b>INDEPENDENT DIRECTOR</b>	-	SHRI PRAVEEN BADJATYA
<b>CHIEF FINANCIAL OFFICER</b>	-	SHRI HARI MOHAN JHA

**BANKER**

BANK OF INDIA  
SANTHA BAZAR, INDORE

**AUDITORS**

M/S S.R.NAREDI & CO.  
CHARTERED ACCOUNTANTS  
204-205, MANAS BHAWAN EXTN.  
(NEW WING) 11, R. N. T. MARG.  
INDORE - 452001

**REGISTERED OFFICE & WORKS**

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

**SHARE TRANSFER AGENT**

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

**NOTICE**

Notice is hereby given that Twenty Seventh Annual General Meeting of the members of **Shree Pacetronix Limited** will be held on Wednesday 30<sup>th</sup> day, of September, 2015 at 10:00 A.M at the registered office of the company to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vikas Gokhale (DIN-05193393), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as ordinary resolution thereof :**

**“RESOLVED THAT,** pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee, and pursuant to the resolution passed by the members at the AGM held on 29<sup>th</sup> September, 2014 the appointment of M/s S. R. Naredi & Co, Chartered Accountants (ICAI Firm Registration No. 002818C), as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be recommended by the audit committee.”

**PLACE:** Pithampur

**DATE:** 10.08.2015

**Registered office**

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

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

**Atul Kumar Sethi**

Managing Director

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 30<sup>th</sup> September 2015 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
4. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
5. The company has notified closure of register of members and share transfer books from Saturday, September 26, 2015 to Wednesday, September 30, 2015 (both days inclusive).
6. The Members are requested to:
  - a. Intimate changes, if any, in their registered addresses immediately.
  - b. Quote their ledger folio number in all their correspondence.
  - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
  - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
7. Members seeking any information are requested to write to the Company by email at [pacetronix@hotmail.com](mailto:pacetronix@hotmail.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
8. 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.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to M/s Ankit Consultancy Private Limited., for consolidation into a single folio.
10. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at M/s Ankit Consultancy Private Limited, 60, Electronic Complex, Pardeshipura, Indore.
11. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.

12. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s Ankit Consultancy Private Limited. to enable the Company to send all communications electronically
13. Members may also note that the Annual Report for FY 2014-15 is also available for downloading on Company's website [www.pacetroneix.com](http://www.pacetroneix.com)
14. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s Ankit Consultancy Private Limited.
16. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, during business hours up to the date of the meeting.
- 17. Voting through electronic means**
- (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
- (ii) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (iv) The voting period begins on 27<sup>th</sup> September 2015 (9:00 AM) and ends on 29<sup>th</sup> September 2015 (5:00 PM) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (v) Instructions for the voting through electronic means
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders tab.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	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>■ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number. The sequence number is printed on the address sticker where the Annual Report is sent in physical form and the same is communicated in the e-mail where the Annual Report is sent in an electronic form.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>■ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).</li> </ul>
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- g. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September 2015, may obtain the login ID and password by sending a request to M/s Ankit Consultancy Private Limited at mail@ankitonline.com
- h. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the relevant **SHREE PACETRONIX LIMITED** on which you choose to vote
- m. 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.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. 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.
- s. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (vii) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23th September 2015
- (viii) Ms. Shraddha Jain (Membership No. 39488 CP no. 14717), Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (ix) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, order voting through poll for all those members who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.

- (x) Immediately after the conclusion of voting at the AGM, the Scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.
- (xi) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pacetronix.com and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Ltd.

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

<b>Name of Directors</b>	Mr. Vikas Gokhale
<b>Date of Birth</b>	09.06.1975
<b>Date of Appointment</b>	30.01.2012
<b>Expertise / Experience in specific functional areas</b>	Having 14 years experience in Management of Industries Undertaking.
<b>Qualification</b>	M.Tech
<b>No. &amp; % of Equity Shares held</b>	N.A
<b>List of outside Companydirectorship held</b>	Nil
<b>Chairman / Member of the Committees of the Board of Directors of the Company</b>	
<b>Chairman / Member of the Committees of the Board</b>	Nil
<b>Directors of other Companies in which he is director</b>	

**PLACE:** Pithampur

**DATE:** 10.08.2015

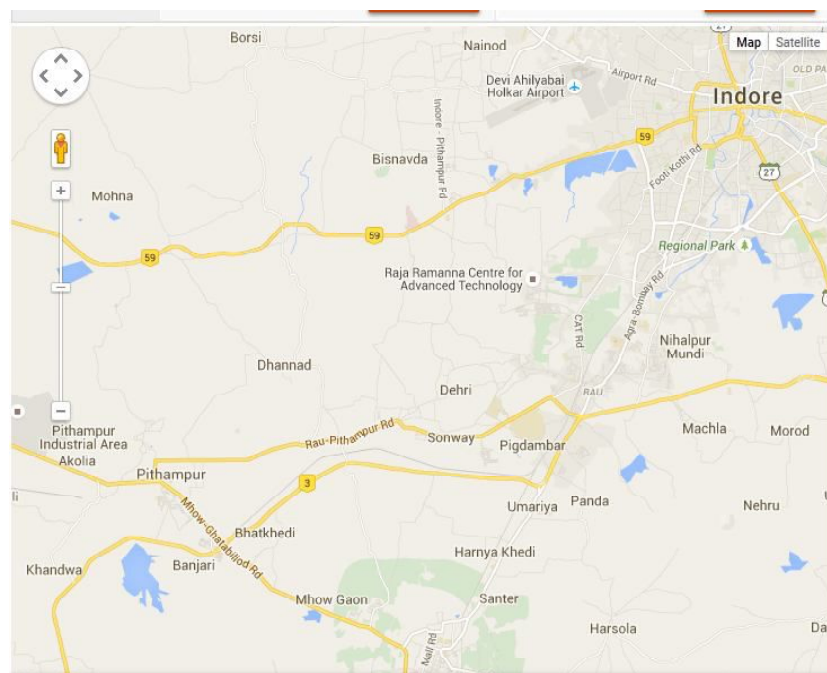
By order of the Board of Directors of  
**Shree Pacetronix Limited**

**Registered office**

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

**Atul Kumar Sethi**  
Managing Director

**Road Map**



## BOARD S' REPORT

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

Your directors are pleased to present the 27<sup>th</sup> Annual Report together with the Audited financial Statement for the year ended 31<sup>st</sup> March, 2015.

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

**1.1 Financial Results highlights and summary**

(Rs. in lacs)

Particulars	As on 31.03.2015	As on 31.03.2014
<b>Total Income</b>	626.90	684.22
Less : Total Expenditures	527.47	554.29
<b>Profit before Interest, Tax &amp; Depreciation</b>	99.43	129.93
Less : Financial Charges	40.57	45.68
Less : Depreciation	67.69	51.47
<b>Profit before tax</b>	-8.83	32.78
Less: Provision for tax-Current Tax/Deferred Tax	6.40-11.58	4.176.68
<b>Profit/(Loss) after tax</b>	-3.65	21.93

**1.2 OPERATIONS AND FUTURE OUTLOOK :**

During the year under review your company has recorded total turnover of Rs. 626.90 Lacs which is lower than the last year's sales, at the other hand the revenue of the company has also been effected due to lower turnover and higher overhead cost and manufacturing expenses the bottom line of the Company has turned into negative and the Company has incurred losses against the handsome profit in comparison of last few years. Your directors are working hard to reduce the cost and improve the financial performance of the Company in the years to come.

Manufacturing of Medical Device such as Pacemakers plays very crucial and important role in the growth structure of Pharmaceutical Industries, which is not material in monetary terms but a valuable life saving device. The R & D department of the Company is continuously working on the development of advanced new products as well as up-gradation of existing products. With the improved quality of pacemakers, the demand of the products manufactured by your Company is expected to grow with a faster pace which will lead to higher profitability in the years to come. However, at present no one can say with absolute certainty how the financial crisis will impact the real economy and therefore, the company's performance.

**1.3 Change in nature of Business**

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

**1.4 Changes in Share Capital**

During the Financial Year 2014-15 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2015 was Rs.359.94 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares.

**1.5 Revision of annual financial statement**

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

**2. Transfer To Reserves**

During the year the Company has not transferred any amount to the reserves.

**3. Dividend**

Your directors do not recommend any dividend due to losses in current financial year. However during the year the company has deposited amount of unclaimed dividend of Rs. 2,69,444/- to Investor Education and Protection Fund

**4. Deposits**

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

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

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

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

The Company has one subsidiary Shree Coratomic Limited. The turnover of the Subsidiary Company Shree Coratomic Limited is Rs. 51.68 lacs as against Rs 127.52 lacs in the previous year. Profit before tax stood at Rs.(3.38) lacs as against Rs. 1.03 lacs in the previous year. A statement pursuant to Section 129 of the Companies Act, 2013 related to the accounts of the subsidiary forms part of this Annual Report. The consolidated financials form part of this annual report.

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

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

#### 7. Extracts of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2015 forms part of this report as Annexure I.

#### 8. Number of Meetings of the Board

During the year under review the Board meets five times viz. **May 30, 2014; July 31, 2014; October 30, 2014, January 30, 2015 and March 30, 2015**. The details of meetings of the Board and the attendance of Directors are provided in the Corporate Governance Report.

#### 9. Directors' Responsibility Statement

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

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year ended on that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- d. The Directors had prepared the annual accounts on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors has devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### 10. Reporting of fraud by Statutory Auditors

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

#### 11. Appointment and Declaration by independent directors

##### 11.1 Appointment of independent directors

At the Annual General Meeting held on 29.09.2014, the members approved the appointment of Mr. Sushil Patni, Mr. Praveen Badjatya and Mr. Anil Rathi as Independent Directors of the Company for a term of 5 years to hold the office till 31st March, 2019 who are not liable to retire by rotation.

##### 11.2 Declaration by independent directors

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchanges.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013, rules made thereunder as well as concerning provisions of Clause 49 of the Listing Agreement with stock exchanges.

##### 11.3 Meetings of Independent Directors

During the year under review, a separate meeting of Independent Directors was held on March 30, 2015, interalia, to discuss:

- § evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;
- § evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive
- § evaluation of the quality, content 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 said Meeting.

##### 11.4 Familiarization Programme

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

The details of familiarization programme have been posted in the website of the Company under the web link - <http://www.pacetrnix.com/FamiliarisationProgrammeForIndependentDirectors.pdf>

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

As per the requirement of Section 178 of the Companies Act, 2013 and clause 49 of listing agreement the Company has constituted Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Composition of the above Committees, their terms of reference detailed in the report of Corporate Governance.



**13. Remuneration Policy**

Information regarding Directors' Remuneration Policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 are given in **Annexure II** forming part of this report.

**14. Auditors****14.1 Statutory Auditor**

At the Annual General Meeting held on Monday, 29<sup>th</sup> September 2014, M/s. S.R Naredi & Co., Chartered Accountants (ICAI Firm Registration No. 002818C), were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s S.R Naredi Co. Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

**Explanation to Auditor's Remark**

The Board has duly reviewed the statutory Auditors Report on the Accounts. The notes forming part of the accounts referred to in the Auditors Report of the Company are self explanatory and do not call for any further explanation

**14.2 Secretarial Auditor**

The Board has appointed Mr. Ashish Nayak, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure III** to this Report. In reply to the qualification made by the Secretarial Auditor, the Board of Directors stated that they have not find any suitable candidate for the post of the Company Secretary, so there is non-compliance of Section 203 of the Companies Act, non filing of Form MGT10 was mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are complied to the fullest extent and other comments are self explanatory and do not call for any further explanation.

The Board in its meeting held on 10.08.2015 has appointed Ms. Shraddha Jain, Practicing Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2015-16.

**14.3 Cost Record and Cost Audit**

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

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

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

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

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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

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

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

Information as per Companies(Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure IV** forming part of this report.

**18. Risk Management**

The Company has developed a Risk Management Policy which laid down the procedures to inform to the Board about the risk assessment and minimization procedures. The main aim to develop a risk management policy is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business.

**19. Corporate Social Responsibility**

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

**20. Performance Evaluation of the Board**

Pursuant to the provisions section 134 of Companies Act 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

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

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

#### **21. Directors and Key Managerial Personnel**

Mr. Vikas Gokhale, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

During the year under review, the members approved the appointment of Mr. Sushil Patni Mr. Praveen Badjatya and Mr. Anil Rathi as Independent Director for a term of 5 years to hold the office till 31st March, 2019 who are not liable to retire by rotation. The members have also re-appointed Mr. Vikas Gokhale as Whole Time Director, of the Company for further period of three years.

#### **Disqualifications of Directors**

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

#### **22. Code of Conduct**

The Company has laid down a code of conduct for all Board members and senior management and independent directors of the Company. All the Board members including independent directors and senior management personnel have affirmed compliance with the code of conduct.

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

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

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

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

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

#### **25. Audit Committee**

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

#### **26. Whistle Blower/Vigil Mechanism Policy**

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

The Whistle Blower Policy has been disclosed on the Company's at [www.pacetrnix.com](http://www.pacetrnix.com) and circulated to all the Directors and employees.

#### **27. Disclosure of ratio of remuneration of Directors and Key Managerial Personnel, etc.**

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

#### **28. Particulars of Employees etc.**

During the year, there was no employee drawing remuneration in excess of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- 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.

#### **29. Voting Rights of employees:**

During the year under review the company has not given loan to any employee for purchase of its own shares as per section 67 (3) (c) of Companies Act, 2013. Therefore the company not required to made disclosure as per rule 6 (4) of Companies (Share Capital and Debentures) Rules, 2014.

#### **30. Disclosure regarding issue of Employee Stock Options**

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

**31. 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.

**32. Corporate Governance Report**

Report on Corporate Governance as required under the Listing Agreement with the Stock Exchange along with the certificate of the Auditors, M/s. **S.R Naredi & Co**, confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are attached to this report as **Annexure VI**.

**33. Management Discussion and Analysis Statement**

Management Discussion and Analysis statement as required under the Listing Agreement with the Stock Exchange are attached to this report as **Annexure – VII**.

**34. Listing At Stock Exchange**

The Equity shares of the Company are listed with BSE Limited, Mumbai and Madhya Pradesh Stock Exchange Limited, Indore.

However Madhya Pradesh Stock Exchange Limited (MPSE) was de- recognized by SEBI vide its exit order no. PR No. 154/2015 dated June 9, 2015.

At present the Equity shares of the company are listed with the BSE Limited and the listing fee for the year 2015-16 has been duly paid.

**35. Consolidated Financial Statements**

The directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiaries and joint venture and as prepared in compliance with the Companies Act, 2013, Accounting Standards and the Listing Agreement as prescribed by SEBI.

A separate statement containing the salient features of its subsidiaries in the prescribed form (AOC-1) is annexed separately.

**36. Depository System**

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

**37. Industrial Relations**

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

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

**38. Disclosure under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

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

It may be noted that during the year 2014-15, no grievance / complaint from any women employee was reported.

**39. Acknowledgements**

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

PLACE: Pithampur

DATE: 10.08.2015

**Registered office**

Plot No. 15, Sector No. II

Industrial Area

Pithampur, 454775

By order of the Board of Directors of

**Shree Pacetronix Limited**

**Atul Kumar Sethi**

Managing Director

## Annexure I

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

## I REGISTRATION &amp; OTHER DETAILS:-

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of implantable cardiac pacemakers.	33112	96%

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1- 04-2014]				No. of Shares held at the end of the year [As on 31-03-2015]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoters</b>									
<b>1 Indian</b>									
a) Individual/ HUF	814930	0	814930	22.64	845038	0	845038	23.48	0.84
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A) (2):-</b>	<b>814930</b>	<b>0</b>	<b>814930</b>	<b>22.64</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>0.84</b>
<b>2 Foreign</b>									
a) NRIs -	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
<b>Total shareholding</b>									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-04-2014]				No. of Shares held at the end of the year [As on 31-03-2015]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>of Promoter (A) = (A)(1)+(A)(2)</b>	814930	0	814930	22.64	845038	0	845038	23.48	0.84
<b>B. Public Shareholding</b>									
1 Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2 Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	214064	200	214264	5.95	538648	200	538848	14.97	9.02
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	348304	602481	950785	26.42	362099	593381	955480	26.55	0.13
ii) Individual share-holders holding nominal share capital in excess of Rs 1 lakh	866949	55970	922919	25.64	507669	55970	563639	15.66	-9.98
c) Others (specify)									
NRI	10020	686375	696395	19.35	10020	686375	696395	19.35	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	107	0	107	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	1439444	1345026	2784470	77.36	1418436	1335926	2754362	76.52	-0.84
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	1439444	1345026	2784470	77.36	1418436	1335926	2754362	76.52	-0.84
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	2254374	1345026	3599400	100	2263474	1335926	3599400	100	0

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

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Atul Kumar Sethi	675606	18.77	-	705406	19.6	-	0.83
2	Amita Sethi	102297	2.84	-	102605	2.85	-	0.01
3	Ashish Sethi	37027	1.03	-	37027	1.03	-	-
	<b>Total</b>	<b>814930</b>	<b>22.64</b>	<b>-</b>	<b>845038</b>	<b>23.48</b>	<b>-</b>	<b>0.84</b>

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

SN	Particulars	Shareholding at the beginning of the year (As on 01-04-2014)		Date wise increase / (decrease) in promoter shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer /bonus / sweat equity etc.)			Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares	% of total Shares of the company	Date	No. of Shares	Nature	No. of Shares	% of total shares of the company
1	Atul Kumar Sethi	675606	18.77	3-Mar-15	29800	Buy	705406	19.6
2	Amita Sethi	102297	2.84	16-Apr-14	100	Buy	102397	2.84
				4-Jun-14	208		102605	2.85
3	Ashish Sethi	37027	1.03	Nil	Nil	Nil	37027	1.03

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

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding					Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	MANMOHINI KAUR	430558	11.96	30-Jan-15	-150000	Transfer	280558	7.79
				06-Feb-15	-175000	Transfer	105558	2.93
2	Biopace Technology USA	295432	8.21	1-Apr-14	0	Nil movement during the year	295432	8.21
					0			
				31-Mar-15	0			
3	MATHEW SAMUEL KALARICKAL	326639	9.07	1-Apr-14	0	Nil movement during the year	326639	9.07
					0			
				31-Mar-15	0			
4	Thomas B. Pinto	177300	4.93	1-Apr-14	0	Nil movement during the year	177300	4.93
					0			
				31-Mar-15	0			
5	Own Leasing And Finance Private Limited	159327	4.43	24-Oct-14	-159327	Transfer	Nil	Nil
6	S.K. Sekaran	99385	2.76	1-Apr-14	0	Nil movement during the year	99385	2.76
					0			
				31-Mar-15	0			
7	Anil Hebbar K	65237	1.81	1-Apr-14	0	Nil movement during the year	65237	1.81
					0			
				31-Mar-15	0			
8	Virgo Impex Llp	0	0	06-Feb-15	175000	Transfer	175000	4.86
9	Epcot Lifestyles Private Limited	0	0	24-Oct-14	159327	Transfer	159327	4.43
10	Kalpita Agencies Private Limited	0	0	30-Jan-15	150000	Transfer	150000	4.17

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

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding					Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
<b>A. DIRECTORS</b>								
1.	Atul Kumar Sethi - Managing Director	675606	18.77	3-Mar-15	29800	Buy	705406	19.6
2.	Amita Sethi- Whole Time Director	102297	2.84	16-Apr-14	100	Buy	102397	2.84
				4-Jun-14	208	Buy	102605	2.85
3.	Vikas Gokhale- Whole Time Director	0	0	1-Apr-14	0	Nil movement during the year	0	0
		0	0	31-Mar-15				
4.	Sushil Kumar Patni- Independent Director	0	0	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0	31-Mar-15			0	0
5.	Pravin Kumar Badjatya- Independent Director	0	0	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0	31-Mar-15			0	0
6.	Anil Rathi- Independent Director	0	0	1-Apr-14	0	Nil Holding/ movement during the year		
		0	0	31-Mar-15	0		0	0
<b>B. KEY MANAGERIAL PERSONNEL</b>								
1	Hari Mohan Jha	0	0	1-Apr-2014	0	Nil Holding/ movement during the year		
				31-Mar-2015			0	0

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

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2014)</b>					
i)	Principal Amount	18500312	1084238	0	19883050
ii)	Interest due but not paid	0	0	0	0
iii)	Interest accrued but not due	0	671539	0	671539
	<b>Total (i+ii+iii)</b>	18500312	1755777	0	20554589
<b>Change in Indebtedness during the financial year</b>					
	* Addition	-	-	-	-
	* Reduction	-	-	-	-
	<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year (31.03.2015)</b>					
i)	Principal Amount	20026053	4289563	0	24565616
ii)	Interest due but not paid	0	0	0	0
iii)	Interest accrued but not due	0	3143132	0	3143132
	<b>Total (i+ii+iii)</b>	20026053	7432695	0	27708748

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Atul Kumar Sethi	Mr. Amita Sethi	Mr. Vikas Gokhale	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	2630400	657600	973128	4261128
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify Total (A) Ceiling as per the Act	- 2630400	- 657600	- 973128	- 4261128
<b>As per Schedule V of the Companies Act, 2013</b>					

## B Remuneration to other directors

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

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: There were no Penalties/ Punishment/ Compounding of Offences for the year ended 31st March 2015.

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



## ANNEXURE – II

## NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

**Objectives of the Committee:**

The Committee shall:

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

**Definitions:**

- **“Board”**:-Board means Board of Directors of the Company.
- **“Director”**:-Directors means Directors of the Company.
- **“Committee”**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **“Company”**:- Company means Porwal Auto Components Limited.
- **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-
  - o Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
  - o Company Secretary; and
  - o Chief Financial Officer
- **“Independent Director”**:- As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, ‘Independent director’ shall mean a non-executive director, other than a nominee director of the company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - c. apart from receiving director’s remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e. who, neither himself nor any of his relatives —
    - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
      - a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

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

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

**Applicability:-**

The Policy is applicable to

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

**Constitution of the Nomination and Remuneration Committee:**

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

**General Appointment Criteria:**

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

**Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time ) and Companies Act, 2013.

**Term / Tenure:**

The Term / Tenure of the Directors shall be governed as per provisions of the clause 49 of Listing Agreement, Companies Act, 2013 and rules made there under as amended from time to time.

**Removal:**

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

**Policy on Board diversity:**

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

**Remuneration:**

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

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

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

**1. Non-Executive Directors**

The Company is not paying any remuneration to the Non-Executive /Independent Directors.

**2. Managing Director & Key Managerial Personnel & Other Employees**

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

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

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**Amendment**

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

## ANNEXURE – III

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
SHREE PACETRONIX LIMITED,  
Plot No. 15, Sector II, Industrial Area,  
Pithampur Distt. Dhar

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shree Pacetronix Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Shree Pacetronix Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.(Not notified hence not applicable to the company during the audit period)

(ii) The Listing Agreements entered into by the Company with BSE Limited and MPSE LIMITED. \_\_\_\_\_

During the financial year under report, the Company has complied with the provisions of New Companies Act, 2013 and Old Companies Act 1956 to the extent applicable and Rules, Regulations, Guidelines, Standards, etc mentioned above.

1. *During the year under review the Company has received a Show cause notice form the Registrar of Companies, Gwalior, Madhya Pradesh under Section 125 of the Companies Act 2013 for non-filing of Form DIV 5, which was replied by the Company.*
2. *The Company has not appointed the Company Secretary as one of the Key Managerial Personnel under Section 203 of the Companies Act 2013.*
3. *The Company has not filed Form MGT10 with the Registrar of Company as required under the provisions of Section 93 under the Companies Act, 2013, in respect of Changes in Shareholding position of promoters & top ten shareholders*

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

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

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

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**PLACE:** Indore

**DATE:** 10.08.2015

**ASHISH NAYAK**  
PRACTICING COMPANY SECRETARY  
**ACS 36967/ CP 14141**

## Annexure – IV

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, 2015 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.
- Upgradation of Machineries and installation of new machineries based on fuel or power efficiency.
- Monitoring the maximum demand and power load factor on daily basis.
- Replacement of inefficient motors with energy efficient motors.

**ii. The steps taken by the Company for utilizing alternate sources of energy:** No alternate source used 2014-15**iii. Capital Investment on Energy Conservation Equipments:** NIL**B. Technology Absorption****i. The efforts made towards technology absorption**

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

**ii. The benefits derived like increase in productivity and cost reduction.****iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –** The company is using manufacturing technology which is entirely indigenous.**iv. Expenditure on R&D –** During the year the Company has made an investment of Rs 11.58 Lacs towards Research and Development.**C. Foreign exchange earnings and Outgo-**

Particulars	(Rs. in Lacs)	
	31.03.2015	31.03.2014
1. Foreign Exchange earned:		
- FOB Value of Exports	83.07	82.57
- Job Work	64.26	30.68
2. Foreign Exchange used: CIF Value of import of		
- Raw Materials	155.51	158.95
- Capital Goods	—	19.78
3. Foreign Travels:		
- Directors & Others	5.01	6.20
- Technical services	2.49	3.94

## ANNEXURE – V

**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**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each key Managerial Personnel (KMP) against the performance of the Company are as under:

S N	Name of Director/KMP and Designation	Designation	Remuneration of Director/KMP for financial year 2014-15	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Atul Kumar Sethi	Managing Director	2630400	—	14.14	In the financial year 2014-15 the Company has a loss of Rs. 3.65 Lacs as compared to profit of Rs.21.92 Lacs in previous financial year
2.	Mrs. Amita Sethi	Whole Time Director	657600	—	3.53	
3.	Mr. Vikas Gokhale	Whole Time Director	973128	15.85%	5.23	
4.	Mr. Sushil Kumar Patni	Independent Director	—	—	—	In the financial year 2014-15 the Company has a loss of Rs. 3.65 Lacs as compared to profit of Rs.21.92 Lacs in previous financial year
5.	Mr. Pravin Kumar Badjatya	Independent	—	—	—	
6.	Mr. Anil Rathi	Independent Director	—	—	—	
7.	Mr. Hari Mohan Jha	CFO	3,60,000	—	—	

- (ii) The percentage increase in the median remuneration of employees in the financial year- During the year there was a decrease in median remuneration 3.85%
- (iii) The number of permanent employees on the rolls of Company as on March 31, 2015- **56**
- (iv) The explanation on the relationship between average increase in remuneration and Company performance- Profit after tax decreased by 116.64 % whereas the decrease in median remuneration was 3.85%.
- (v) Comparison of Remuneration of the Key Managerial Personnel against the performance of the company: The total remuneration of Key Managerial Personnel increased by 15.85% whereas the Profit after Tax decreased by 116.64 % (Loss of Rs.3.65 lacs in 2014-15 as compared to net profit of Rs.21.92 Lacs in previous financial year).
- (vi) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year

Particulars	March 31, 2015	March 31, 2014
Market Capitalization	82786200	39341442
P/E Ratio	-230	-17.92

- (vii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2015	IPO*	% Change
Market Price (BSE)	Rs.23	Rs.10	130%

% Increase in Shares Price over last public offer:- 130%

- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year - During the year there was a decrease in median remuneration 3.85% whereas the increase in the managerial remuneration for the same financial year was 15.85%. There are no exceptional circumstances for increase in the managerial remuneration.
- (ix) 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.
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- N.A
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Annexure – VI****CORPORATE GOVERNANCE REPORT 2014-15****(Forming part of the Directors' Report of Shree Pacetronix Limited)**

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

**1. Company's Philosophy on code**

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchange with regard to Corporate Governance and also has taken certain steps to ensure transparency and accountability.

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

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

**2. MD/ CFO Certification**

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director and Chief Financial Officer on the financial statements and internal controls relating to financial reporting has been obtained.

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

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

**b) Board Procedure**

The Board meets at least once in a quarter to review the overall business operations including to consider the business which are related to formulation and execution of policies relating to production, finance, marketing, personnel, materials and general administration. Notice and agenda papers are sent to the directors in advance. The maximum gap between any two Board meetings was less than One Hundred and Twenty days. The Board met five times during the year under review and the dates on which the said meetings were held are as follows: **May 30, 2014; July 31, 2014; October 30, 2014, January 30, 2015 and March 30, 2015**

**c) Board Category, Directors Attendance and their other directorship and Committee position and Shareholding of Non Executive Directors as on March 31, 2015**

Name of the Director	Category	Attendance at Board meeting	Attendance at AGM	No. of Directorship (including this companies)		No. of Committee membership position (including this companies)		Share-holding of Non Executive Directors
				Chairman	Member	Chairman	Member	
1. Shri Atul Kumar Sethi	Managing Director	5	Yes	1	3	-	1	Nil
2. Smt. Amita Sethi	Whole Time Director	5	Yes	-	3	-	-	Nil
3. Shri Vikas Gokhale	Whole Time Director	5	Yes	-	1	-	-	Nil
4. Shri Sushil Patni	Independent Non-Executive	4	Yes	-	4	3	-	Nil
5. Shri Anil Rathi	Independent Non-Executive	4	Yes	-	2	-	3	Nil
6. Shri Praveen Badjatya	Independent Non-Executive	4	Yes	-	1	-	2	Nil

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

Smt. Amita Sethi is the spouse of Shri Atul Sethi.



e) **Independent Directors Meeting**

During the year under review, a separate meeting of Independent Directors was held on March 30, 2015, interalia, to discuss:

- evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive
- evaluation of the quality, content 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 said Meeting.

4. **Code Of Conduct**

Revised clause 49 of the Listing Agreement requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Companies Act, 2013.

As required under the revised clause 49, the Board at its meeting on 29th May 2014 adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on the Company's website [www.pacetrnix.com](http://www.pacetrnix.com)

All Directors and Senior Management personnel have affirmed compliance with the Code for 2014-15. A declaration to this effect signed by the Managing Director is given in this Annual Report.

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

The Company issues a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013 and clause 49 of the Listing Agreement. The terms and conditions of appointment of independent directors are placed on the Company's website [www.pacetrnix.com](http://www.pacetrnix.com)

6. **Performance Evaluation of the Board**

A detailed exercise for evaluation of the performance of the Board, its various Committees, viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee and also the performance of individual Directors was carried out by the Board

**Criteria for performance evaluation**

The performance of the Board and that of its Committees was evaluated on the basis of various parameters like adequacy of its Composition, Board Culture, No. of meetings held, Execution and Performance of Specific Duties, Obligations and Governance, Participation and contribution etc.

Whereas the evaluation of individual Directors including the independent Directors and that of the Chairman of the Board was on the basis of various factors like their attendance, level of their engagement and contribution at Board/ Committee Meetings, independency of judgment, their contribution in safeguarding the interest of the Company, guidance/ support to the management outside Board/ Committee Meetings etc. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

The Board recorded its satisfaction over the performance of its various Committees, its directors individually as well as the collective efforts put in by the Board in enhancing and safeguarding the interest of the Company as a whole.

7. **Familiarisation Programme**

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

The details of familiarization programme have been posted in the website of the Company under the web link <http://www.pacetrnix.com/FamiliarisationProgrammeForIndependentDirectors.pdf>

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

The Market Regulator, SEBI with the objective of bringing the basic framework governing the regime of Insider Trading practices in line with the dynamic global scenario and to tighten the gap of existing norms, notified the new PIT Regulations to be renowned as SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 15th May, 2015.

The new Regulations seem to be more promising and equipped to ensure better compliance and enforcement. SEBI, via new norms has enhanced the role and responsibilities of the Compliance Officer for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservice of Unpublished Price Sensitive Information and implementation of codes specified in the Regulations.

Accordingly, the Board at its meeting held on 30.03.2015 has substituted its 'Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' by a new "Code of Fair Disclosure" and a "Code of Conduct" in tandem with the aforesaid new Regulations.

## 9. Committees of the Board

Board has three Committees, viz.

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholder Relationship Committee;

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

### A. Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirement of section 177 of the Companies Act, 2013 and the Clause 49 of the Listing Agreement and in fulfilling the Board's overall responsibilities, an Audit Committee is functioning consisting of only independent directors.

#### Terms of reference

Apart from all the matters provided in clause 49 of the listing agreement and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters.

#### Composition

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

Name	Category	Number of Meetings during the year 2014-15	
		Held	Attended
Shri Sushil Patni	Chairman Independent, Non – Executive	4	4
Shri Praveen Badjatya	Independent, Non –Executive.	4	4
Shri Anil Rathi	Independent, Non –Executive.	4	4

#### Meetings

During the financial year ended 31<sup>st</sup> March, 2015, four Audit Committee Meetings were held and the Dates on which the Said meetings were held are as follows:

**May 30, 2014; July 30, 2014; October 30, 2014, January 30, 2015**

### B. Nomination and Remuneration Committee

In line with the Companies Act, 2013 / Clause 49 of the Listing Agreement requirements, the nomenclature of Remuneration Committee has been changed to Nomination and Remuneration Committee.

#### Terms of reference

The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Clause 49 of Listing Agreement and section 178 of the Companies Act, 2013. The broad terms of reference includes recommending a policy relating to remuneration and employment terms of Managing Director, Whole-Time Director and senior management personnel, adherence to the remuneration policy as finally approved by the Board of Directors, preparing the criteria and identify persons who may be appointed as directors or senior management.

#### Composition

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

Name	Category	Number of Meetings during the year 2014-15	
		Held	Attended
Shri Sushil Patni	Chairman Independent, Non – Executive	1	1
Shri Praveen Badjatya	Independent, Non –Executive.	1	1
Shri Anil Rathi	Independent, Non –Executive.	1	1

#### Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy, providing (a) criteria for determining qualifications, positive attributes and independence of directors and (b) a policy on remuneration for directors, key managerial personnel and other employees. The Remuneration Policy is attached as **Annexure II** to the report of Directors

**Remuneration to Executive Directors**

During the financial year, there were only three directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration for the year ended March 31, 2015 to the Executive Directors and their proposed remuneration are as follows

Name of Directors	Designation	Remuneration
Shri A. K. Sethi	Managing Director	Rs. 26,30,400/- pa
Smt. Amita Sethi	Whole Time Director	Rs. 6,57,600/- pa
Shri. Vikas Gokhale	Whole Time Director	Rs. 9,73,128/- pa

**Payment to non-executive directors**

The Company is not paying any remuneration to the Non-Executive /Independent Directors.

**C STAKEHOLDERS RELATIONSHIP COMMITTEE**

In line with the Companies Act, 2013 / Clause 49 of the Listing Agreement requirements, the nomenclature of Shareholders Grievance Committee has been changed to Stakeholders Relationship Committee.

**Terms of reference**

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

**Composition**

The Shareholders' Grievances Committee comprised of three Directors, out of which majority of the Directors are Independent Directors. The composition of the Committee is given below:

Name	Category
Mr. Sushil Patni	Chairman, Non Executive Independent Director
Mr. Atul Kumar Sethi	Member, Managing Director
Mr. Anil Rathi	Member, Independent Director

As of March 31, 2015, all requests, complaints, grievances, if any, have been replied to/resolved within the stipulated period and no such matter was pending.

**10. Compliance Officer**

Mr. Hari Mohan Jha\*, is the general compliance officer of the company except specifically provided otherwise for specific purposes.

\*Mr. Harimohan Jha has resigned from the post Chief Finance officer of the company w.e.f. 14<sup>th</sup> July 2015. and Mr. Swapnil Modi has been appointed as Chief Finance officer of the company w.e.f 10<sup>th</sup> August, 2015.

**11. General Meeting**

Details of the General Meetings held during last three years :

AGM/EGM	Date	Venue	Time
AGM - 2012	29 <sup>th</sup> Sept. 2012	Reg. Off of the Company at Pithampur	10.30 am
AGM - 2013	30 <sup>th</sup> Sept. 2013	Reg. Off of the Company at Pithampur	10.30 am
AGM - 2014	29 <sup>th</sup> Sept. 2014	Reg. Off of the Company at Pithampur	10.00 am

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

AGM/EGM	Date	Special Business Transacted
AGM	29th Sept. 2012	<ul style="list-style-type: none"> <li>◆ Appointment of Vikas Gokhale U/s 257</li> <li>◆ Re-appointment of Vikas Gokhale U/s 269 read with 198,309 and 310.</li> </ul>
AGM	30 <sup>th</sup> Sept. 2013	<ul style="list-style-type: none"> <li>◆ Re-appointment of Atul Kumar Sethi as a Managing Director of the Company under Section 269 read with 309 and 310.</li> <li>◆ Re-appointment of Amita Sethi as a Whole Time Director of the Company under Section 269 read with 309 and 310.</li> <li>◆ Approval u/s 293(1)(a) of the Companies Act, 1956.</li> <li>◆ Approval u/s 293(1) (d) of the Companies Act, 1956.</li> </ul>
AGM	29 <sup>th</sup> Sept. 2014	<ul style="list-style-type: none"> <li>◆ Re-appointment of Mr. Vikas Gokhale, Whole Time Director</li> <li>◆ Appointment of Mr. Anil Rathi as an Independent Director</li> <li>◆ Appointment of Mr. Praveen Badjatya as an Independent Director</li> <li>◆ Appointment of Mr. Sushil Kumar Patni as an Independent Director</li> <li>◆ Increase in the borrowing powers of the Company</li> <li>◆ Creation of charge on movable/immovable properties</li> </ul>

**Postal Ballot:**

For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

**12. Note on Directors Appointment/ Re-appointment**

Mr. Vikas Gokhle, Whole-time director of the Company, retire by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting.

**13. Other Disclosures****i. Related Party Transactions**

Details of all material transactions with related parties have been disclosed in the notes to the Accounts in the financial statements of the company.

**ii. Compliance by the Company**

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

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

The Company has in place Whistle Blower/Vigil Mechanism Policy which is also available on the Company's website www.devkileasing.com. No personnel has been denied access to the Audit Committee to lodge their grievances.

**iv. Compliance with mandatory requirements**

The Company is in full compliance with the mandatory requirements as contained in Clause 49 of the Listing Agreement. The Company has not adopted any of the non-mandatory requirements of clause 49 of the listing agreement.

**v. Disclosure of Accounting Treatment**

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

**vi. Anti Sexual**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. During the year no complaints of sexual harassment were received.

**14. Means of Communication**

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Clause 41 of the Listing Agreement within one month of the end of the respective period.
- ii. The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the Stock Exchange Listing Agreement in newspapers viz. "Free Press", (English) and "Chhotha Sansar" (Hindi).
- iii. The Company's website contains a dedicated section "Investor" which displays details / information of interest to various stakeholders.

**15. Shareholder Information****a) AGM**

Date, Time & Venue of AGM - On Wednesday, 30th September 2015 at 10.00 AM at the Registered Office of the Company

**b) Financial Calendar****(Tentative)**

Results for the quarter ending 30 <sup>th</sup> June, 2015	: Last week of July 2015
Results for the quarter ending 30 <sup>th</sup> Sept, 2015	: Last week of Oct. 2015
Results for the quarter ending 31 <sup>st</sup> Dec, 2015	: Last week of Jan. 2015
Results for the quarter ending 31 <sup>st</sup> Mar, 2016	: Last week of May 2016

**c) Book Closure**

26<sup>th</sup> September 2015 to 30<sup>th</sup> September 2015 (both days inclusive)

**d) Dividend**

Not declared for the financial year.

**e) Listing**

The equity shares of the Company are listed at BSE Limited and Madhya Pradesh Stock Exchange Limited.

However Madhya Pradesh Stock Exchange Limited (MPSE) was de- recognized by SEBI vide its exit order no. PR No. 154/2015 dated June 9, 2015.

At present the Equity shares of the company are listed with the BSE Limited and the listing fee for the year 2015-16 has been duly paid.

**f) Stock Code**

The Company has Scrip Code: - BSE 527005

g) **Stock Market Data: Quotes Of The Company Traded At BSE**

Table 1: Monthly highs and lows Quotes at the BSE, 2014-15

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2015	-	-	-
Feb 2015	-	-	-
Jan 2015	23.00	23.00	23.00
Dec 2014	25.20	20.60	25.20
Nov 2014	-	-	-
Oct 2014	25.20	20.60	25.20
Sep 2014	19.66	12.03	19.66
Aug 2014	14.00	13.00	13.30
Jul 2014	13.26	13.26	13.26
Jun 2014	13.99	10.50	13.95
May 2014	11.55	10.67	11.00
Apr 2014	11.57	10.50	11.57

h) **Registrars and Share Transfer Agents**

Ankit Consultancy Pvt. Ltd.

60, Electronics Complex,  
Pardeshipura, Indore (M.P.) -452001i) **Share Transfer System**

During the year the share transfers which were received in physical form and for which documents were valid and complete in all respects, were processed and the share certificates were returned within the prescribed time from the date of receipt.

j) **ISIN no.**

The Company has got the ISIN NO: INE847D01010 (both CDSL and NSDL)

k) **DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015**

SHAREHOLDING OF NOMINAL SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT RS.	PERCENTAGE OF TOTAL
1 —1000	4604	80.62	4506820	12.52
1001 — 2000	529	9.26	1043980	2.90
2001 — 3000	124	2.17	363450	1.01
3001 — 4000	71	1.24	275460	0.77
4001 – 5000	194	3.40	967160	2.69
5001 — 10000	93	1.63	729980	2.03
10001 — 20000	41	0.72	612600	1.70
20001 – 30000	14	0.25	345780	0.96
30001— 40000	7	0.12	264800	0.74
40001—50000	7	0.12	308470	0.86
50001—100000	7	0.12	525100	1.46
100001— *****	20	0.35	26050400	72.37
<b>TOTAL</b>	<b>5711</b>	<b>100.0000</b>	<b>35994000</b>	<b>100.0000</b>

l) **SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015**

S. NO.	CATEGORY	NO. OF SHARES HELD	PERCENTAGE OF SHAREHOLDING
1.	Promoters & Promoter Group	845038	23.48
2.	Private Corporate Bodies	538848	14.97
3.	Indian Public	1519119	42.20
4.	NRIs/OCBs	696395	19.35
<b>TOTAL</b>		<b>3599400</b>	<b>100.00</b>

m) **DEMATERIALIZATION OF SHARES**

CATEGORY	NO. OF SHARES	PERCENTAGE (%)
Total number of Dematted shares with NSDL	1661957	46.17
Total number of Dematted shares with CDSL	527317	14.65
<b>TOTAL</b>	<b>2189274</b>	<b>60.82</b>

- n) Outstanding GDR's/ADR's/Warrant's/Convertible instruments and their impact on equity- NIL
- o) REGISTERED OFFICE / PLANT LOCATION

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

#### DECLARATION

#### **Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct**

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to all the Directors and Senior Management, for the year ended March 31, 2015.

**Atul Kumar Sethi**  
Managing Director

#### MD / CFO CERTIFICATION

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

Dear Sirs,

- (a) We have reviewed the Balance Sheet, Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the cash flow statement as at 31<sup>st</sup> March 2015 and that to the best of their knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further certify that, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there is
- (i) No significant change in internal control over financial reporting during the year
- (ii) No significant change in accounting policies during the year under review and
- (iii) No instance of any fraud in the Company in which the management has any role.

**Place:** Pithampur

**Date:** 10/08/2015

**Shri Atul Kumar Sethi**  
Managing Director

**Swapnil Modi**  
Chief Financial Officer

**Annexure – VI**  
**REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry structure and developments-**

The Company is engaged in manufacturing and marketing of different types of Pacemakers. There has been growing demand of the products manufactured by your Company.

**Opportunities and Threats-**

With the growing awareness about the healthcare in the country, there are vast opportunities for the products of the Company. Global economic trends, global competitors, uncertainties about the development of national healthcare system represents threats for the Company.

**Opportunities-**

Your Company relies on a combination of proprietary technology and inhouse know-how to design and sell unique medical devices in global markets. The technical leadership and unique features contained in your Company's products allow it to significantly differentiate the products from competitors.

**Threats-**

Complications from having surgery to implant your pacemaker are uncommon, but could include:

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

**Segment - wise or product - wise performance-**

The Company is engaged in pacemakers manufacturing only and there is no separate repeatable segments.

**Outlook-**

The company is embarking on diversification of cochlear implants, first time to be produced in India and Fourth company to produce in world. The animal trials had been successful and now human trials are to be conducted. The company also has developed a new high tech Pacemaker which is MRI compatible. The clinical trials are under process. Launch if all is well should be by January 2016.

Cardiac Pacemaker Market Outlook to 2019 – Rise in Cardiac Disorders and Growing Awareness among People to Drive the Demand' provides a comprehensive analysis of cardiac pacemaker market in Asia. The report covers various aspects such as market size of cardiac pacemaker market, segmentation on the basis of therapeutic specification, implantability, number of chambers, and volume of exports and imports for cardiac pacemakers. The report is useful for pharmaceuticals companies, retail chains, consultants, healthcare professionals and new players venturing in the market. The market is dominated by few global players including Medtronic, Biotronik, Boston scientific and others.

**Risks and concerns-**

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

After receiving an implantable pacemaker system, you will have limitations with respect to magnetic and electromagnetic fields, electric or gas-powered appliances, and tools with which you are allowed to be in contact.

**Internal control systems and their adequacy-**

The Company has proper internal control system which provides adequate safeguards and effective monitoring of the transactions.

**Discussion on financial performance with respect to operational performance-**

Share Capital and reserve and surplus – The total paid up share capital during the year was Rs. 3,59,94,000 consisting of 3599400 shares of Rs. 10 each. During the year the company has Suffered a loss of Rs. 3.65 Lacs as compared to Profit of Rs. 21.93 Lacs previous year.

Secured Loans – As on 31st March 2015 the Company has a secured loan of Rs 224.63 Lacs out of which Rs.10.23 Lacs are current liabilities.

Fixed assets –The total gross block of Land, Building, Plant and Machinery and other fixed assets was Rs. 798.83 Lacs

Net Current assets – Net Current assets comprised primarily of Accrued Interest on Fixed Deposit with Banks. The net current assets amounting to Rs. 527.17

Turnover - The total turnover registered for the fiscal year 2014-15 was Rs. 626.91 as compared to Rs. 684.22 of fiscal year 2013-14.

**AUDITORS REPORT ON CORPORATE GOVERNANCE**

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

We have examined the compliance of conditions of Corporate Governance by Shree Pacetronix Limited for the year ended 31st March, 2015 as stipulated in Clauses 49 of the Listing Agreement with the Stock Exchanges.

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

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

As required by the Guidance Note issued by the ICAI, on the basis of information and explanations given to us, we have to state that no investor grievances were pending for a period of one month.

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

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

**Place:** Pithampur  
**Dated:** 10<sup>th</sup> August, 2015

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



STATEMENT PURSUANT TO SUB-SECTION 3 OF SECTION 129 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 RELATING TO SUBSIDIARY COMPANY

<b>NAME OF SUBSIDIARY COMPANY</b>	<b>SHREE CORATOMIC LIMITED</b>
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Company
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Same as Holding Company
<b>SHARE CAPITAL</b>	
Authorised Capital	2,00,00,000/-
Paid up Capital	80,07,000/-
<b>RESERVES</b>	-4,07,000
<b>TOTAL ASSETS</b>	99,58,876
<b>TOTAL LIABILITIES</b>	23,58,876
<b>DETAILS OF INVESTMENTS</b> (except in case of investment in the subsidiaries)	NIL
<b>TURNOVER</b>	51,68,399
<b>PROFIT BEFORE TAXATION</b>	-3,38,153
<b>PROVISION FOR TAXATION</b>	53,810
<b>PROFIT AFTER TAXATION</b>	-101180
<b>PROPOSED DIVIDEND</b>	NIL

For and on behalf of the board of Directors

Place: Indore  
Date: 10.08.2015

**AMITA SETHI**  
**WHOLE TIME DIRECTOR**

**ATUL KUMAR SETHI**  
**MANAGING DIRECTOR**

INDEPENDENT AUDITORS' REPORT  
To The Members of Shree Pacetronix Limited

**Report on the Standalone Financial Statements**

1. We have audited the accompanying Standalone financial statements of Shree Pacetronix Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of profit and Loss and cash flow statement for the year then ended , and a summary of the significant accounting policies and other explanatory information,

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

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash Flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account .
- d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and the explanations given to us:
- i. The company has disclosed the financial impact of pending litigations on its financial position in its financial statements.
  - ii. The company has made provision, as required under the applicable law or accounting standards, for the material foreseeable losses, if any , and as required on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to investors education and protection fund by the company.

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

Place: Indore  
Date : May 30, 2015

CA S.R. Naredi  
Proprietor  
Membership No. 72014

**Annexure to Independent Auditors' Report**

The Annexure referred to in paragraph 8 of the Independent Auditors' Report of even date to the members of Shree Pacetronix Limited on the financial statements as of and for the year ended March 31, 2015. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification. In our opinion, the frequency of verification is reasonable.
- ii. (a) As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the provisions of Clause 3(iii) [(b), (c)] of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public.
- vi. The Central government has not prescribed the maintenance of cost records under sub-section (l) of section 148 of the Companies Act in respect of manufacturing activities of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing statutory dues in respect of provident fund, employees' state insurance, income tax, service tax, customs duty, excise duty, value added tax and other material statutory dues, as applicable, with the appropriate authorities.  
According to the information and explanations given to us, there are no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute. However, according to information and explanations given to us, the following dues in respect of Income Tax have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute pending are given below:-

Sr. No.	Nature of Dues	Forum where Dispute pending	Amount (₹ in Lacs)	Period (Assessment Year)
1	Income Tax	Tribuna	₹ 1.35	2003-04
2	Income Tax	Tribunal	₹ 1.45	2004-05

- (c) There are no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions or from debentures holders.

- x. In our opinion and according to the information given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions during the year.
- xi. The term loans taken by the company during the year were applied for the purpose for which the loans were obtained;
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, No material fraud on or by the Company has been noticed or reported during the year in the course of our audit.

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

Place: Indore  
Date : May 30, 2015

CA S.R. Naredi  
Proprietor  
Membership No. 072014

## BALANCE SHEET AS AT MARCH 31ST, 2015

(In INR ₹)

Particulars	Note	As at March 31st , 2015	As at March 31st , 2014
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	2	3,59,94,000	3,59,94,000
Reserves and surplus	3	1,80,91,639	1,87,97,680
<b>Non-current liabilities</b>			
Long-term borrowings	4	24,36,625	928,090
Other long term liabilities	5	2,50,000	298,500
Deferred tax liability (net)		1,04,420	1,414,670
<b>Current liabilities</b>			
Short-term borrowings	6	2,34,40,479	1,89,59,943
Trade payables	7	13,58,121	21,54,786
Other current liabilities	8	6774348	68,91874
Short term provisions	9	21,25108	2823581
<b>Total</b>		<b>90574,740</b>	<b>88,263,124</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10.1	2,6,311032	27,524,848
Intangible assets	10.2	2569,590	3,425,671
Non-current Investments	11	8,000,000	8,000,000
Long-term loans and advances	12	9,76,938	1,202,588
<b>Current assets</b>			
Inventories	13	3,15,34,742	26,428,920
Trade receivables	14	1,14,54,522	17,784,844
Cash and bank balances	15	18,70,611	12,06,215
Short-term loans and advances	16	76,59,619	25,77,930
Other current assets	17	1,97,686	1,12,108
<b>Total</b>		<b>9,05,74,740</b>	<b>88,263,124</b>

As per our report of even date

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

Firm Registration Number: 002818C

Chartered Accountants

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

Proprietor

Membership Number: 072014

Place : INDORE

DATE : May 30, 2015

For and on behalf of Board of the Directors

**Atul Kumar Sethi**

Managing Director

DIN-00245685

**Amita Sethi**

Whole time Director

DIN-00245722

**Hari Mohan Jha**

Chief Financial Officer

## Statement of Profit and Loss Year Ended March 31st , 2015

(In INR ₹)

Particulars	Note	Year Ended March 31st , 2015	Year Ended March 31st , 2014
<b>REVENUE</b>			
Revenue from operations (net)	18	6,23,56,499	68,321,530
Other income	19	3,34,192	100,344
<b>Total revenue</b>		<b>6,26,90,691</b>	<b>68,421,874</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	2,46,39,035	21,910,899
Changes in inventories of finished goods and work-in-progress and stock-in-trade	21	(92,49,030)	(1,960,308)
Employee benefits expense	22	1,72,99,981	15,625,777
Finance costs	23	40,56,947	4568,036
Depreciation and amortisation expense		6768,672	5,146,509
Other expenses	24	2,00,57,783	1,98,52,678
<b>Total expenses</b>		<b>6,35,73,388</b>	<b>65143591</b>
<b>Profit/(Loss) before tax</b>		<b>(8,82,697)</b>	<b>32,78,283</b>
<b>Tax expense</b>			
Current tax		6,40,564	416,984
Deferred tax		(11,57,904)	668,410
<b>Profit/(Loss) for the year</b>		<b>(3,65,357)</b>	<b>2,192,889</b>
Earnings per equity share			
Basic & Diluted (in Rs.)		(0.10)	0.61

As per our report of even date

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

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

Place : INDORE  
DATE : May 30, 2015

For and on behalf of Board of the Directors

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

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

**Hari Mohan Jha**  
Chief Financial Officer

## CASH FLOW STATEMENT AS AT MARCH 31ST, 2015

(In INR ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	-882697	3278283
Adjusted for:		
Depreciation and Amortisation Expense	6768672	5146509
Interest Income	-103326	-100344
Interest paid	4056947	4568036
Profit on sale of fixed assets	-230866	-
	<u>10491427</u>	<u>9614201</u>
Operating Profit before Working Capital Changes	9608730	12892484
Adjusted for:		
Trade & other Receivables	910180	-20986
Inventories	-5105822	-837771
Trade & Other Payables	-954064	-339229
	<u>-5149706</u>	<u>-1197986</u>
Cash Generated from Operations	4459024	11694498
Taxes Paid	-820639	-397624
	<u>3638385</u>	<u>11296874</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	1165000	
Purchase of Fixed Assets	-6125939	-4537248
Interest Income	103326	100344
	<u>-4857613</u>	<u>-4436904</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	1460035	-1278844
Proceeds from Short Term Borrowings (Net)	4480536	-3148371
Interest Paid	-4056947	-4568036
	<u>1883624</u>	<u>-8995251</u>
NET CASH (USED IN) FINANCING ACTIVITIES		
Net Increase/Decrease (-) in Cash and Cash Equivalents	664396	-2135281
Opening Balance of Cash and Cash Equivalents	1206215	3341496
Closing Balance of Cash and Cash Equivalents	<u>1870611</u>	<u>1206215</u>

As per our report of even date

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

Firm Registration Number: 002818C

Chartered Accountants

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

Proprietor

Membership Number: 072014

Place : INDORE

DATE : May 30, 2015

For and on behalf of Board of the Directors

**Atul Kumar Sethi**

Managing Director

DIN-00245685

**Amita Sethi**

Whole time Director

DIN-00245722

**Hari Mohan Jha**

Chief Financial Officer



## 1. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act Accounting policies have been consistently applied except where a revision to an existing accounting standard a change in the accounting policy hitherto in use.

### b) Use of estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known / materialized.

### c) Revenue recognition

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

### d) Tangible and intangible assets

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

### e) Depreciation / amortization

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

### f) Impairment of assets

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

### g) Foreign currency transaction

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

### h) Borrowing cost

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

### i) Inventories

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

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

**j) Retirement Benefits**

- i) Short-term employees contributions like Provident Fund, Employees State Insurance Scheme are charged off at the undiscounted amount in the year in which the related services are rendered.
- ii) Post employment and other long term employee benefits like gratuity is provided on actuarial valuation at the end of the year and charged to Profit and Loss account. Accordingly, Group Gratuity Scheme from Life Insurance Corporation under which gratuity liability of Rs 15.87 Lacs (Previous Year Rs 13.77 Lacs) remain outstanding which is computed based on Projected Unit Credit Method and company has made provision of gratuity Rs 2.10 Lacs (Previous Year Rs 1.69 Lacs)

**k) Taxation**

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

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

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

**m) Earnings Per Share**

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

**n) Investments**

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

**For and on behalf of Board of the Directors**

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

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

**Hari Mohan Jha**  
Chief Financial Officer

**Notes to the financial statements as of and for the year ended March 31, 2015**

(In INR ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>2 Share capital</b>		
<b>Authorised</b>		
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	50,000,000	50,000,000
<b>Issued, subscribed and paid up</b>		
35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	35,994,000	35,994,000
	<b>35,994,000</b>	<b>35,994,000</b>

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

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of shares	(In INR ₹)	No. of shares	(In INR ₹)
Balance as at the beginning of the year	3,599,400	35,994,000	3,599,400	35,994,000
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,599,400</b>	<b>35,994,000</b>	<b>3,599,400</b>	<b>35,994,000</b>

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

Particulars	Percentage holding As at March 31, 2015	Percentage holding As at March 31, 2014
Mr. Atul Kumar Sethi 705406 (Previous year: 675606) shares of Rs.10 each	19.60%	18.77%
Mrs. Manmohini Kaur 105558 (Previous year: 430558) shares of Rs.10 each	2.93%	11.96%
Bio Pace Technology 295432 (Previous year: 295432) shares of Rs.10 each	8.21%	8.21%
Mathew Samul Kalarickal 326639 (Previous year: 326639) shares of Rs.10 each	9.07%	9.07%
	<b>March 31, 2015</b>	<b>March 31, 2014</b>

<b>3 Reserves and surplus</b>		
<b>Capital investment subsidy</b>		
Balance as per last Financial Statements	1,500,000	1,500,000
Balance as at the end of the year	1,500,000	1,500,000
<b>Securities Premium</b>		
Balance as per last Financial Statements	4,673,108	4,673,108
Balance as at the end of the year	4,673,108	4,673,108
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as per last Financial Statements	1,2624,572	1,04,31,683
Profit /(Loss) for the year	(3,65,357)	21,92,889
	1,22,59,215	1,26,24,572
Less : Adjustments relating to Fixed assets	3,40,684	-
Balance at the end of the year	1,1918,531	1,2624,572
	<b>180,91639</b>	<b>1,8797680</b>
<b>4 Long-term Borrowings</b>		
<b>Term loan - Secured</b>		
Bajaj Finance Ltd.	16,29884	-
ICICI Bank Ltd. Car Loan	6,68,853	-
Reliance Capital Ltd (Car)	-	3,89,318
Reliance Capital Ltd (Car)	-	1,89,251
Reliance Capital Ltd (Vehicle loan)	1,37,888	3,49,521
	<b>24,36,625</b>	<b>9,28,090</b>
<b>Nature of security :</b>		
<b>Secured loans</b>		
1 Term loans from Reliance Capital Ltd is secured by hypothecation of cars and vehicle.		
<b>Maturity profile of long term borrowings</b>		
<b>Secured loans</b>		
2015-16	-	5,74,909
2016-17	15,40,195	3,53,181
2017-18	8,96,430	-
	<b>24,36,625</b>	<b>9,28,091</b>

**Notes to the financial statements as of and for the year ended March 31, 2015**

(In INR ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>5 Other long-term liabilities</b>		
Deposit from customers	2,50,000	2,98,500
	<b>2,50,000</b>	<b>2,98,500</b>
<b>6 Short-term borrowings</b>		
<b>A. Unsecured Loan</b>		
Magma Fincorp Limited	20,17,876	-
Tata Capitals Ltd.	13,96,550	4,59,631
Tata Capitals Ltd.		
<b>B. WORKING CAPITAL LOAN</b>		
Bank of india (Secured)	2,00,26,053	18,50,312
	<b>2,344,479</b>	<b>18,959,943</b>
The cash credit facilities availed from Bank of India are secured by hypothecation of the Company's current assets consisting of stock of Finished Goods, Stock in Process, Raw Materials. and book debts both present and future. Further secured by First Charge over fixed assets of the company and personal guarantee of Managing Director Shri Atul Kumar Sethi and Whole Time Director, Mrs Amita Sethi.		
<b>7 Trade payables</b>		
Micro, small and medium enterprises	10,36,457	380,342
Others	3,21,664	1,774,444
	<b>13,58,121</b>	<b>2,154,786</b>
<b>8 Other current liabilities</b>		
Unclaimed Dividend	-	262,030
Current maturities of long term debts*	10,22,723	884,541
Advance from customers	24,31,867	333,020
Statutory dues (including provident fund and tax deducted at source)	7,66,082	463,168
Other payables	25,53,676	4,949,115
	<b>67,74,348</b>	<b>6,891,874</b>
<b>Nature of security:</b>		
* It includes Car loan and vehicle loan from ICICI Bank Ltd. and Reliance Capital Ltd to be repayable within a period of year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.		
<b>9 Short-term provisions</b>		
Provision for Employee benefits	21,25,108	2,164,981
Provision for income tax	-	658,600
	<b>21,25,108</b>	<b>2,823,581</b>

**10.1 Tangible assets**

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	Up to March 31, 2014	For the Year	Deductions/ Adjustments	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	193,350	193,350
Buildings	14,329,375	574,360	-	14,903,735	7,847,962	634,436	-	8,482,398	6,421,337	6,481,413
Plant & Machineries	47,935,695	730,797	-	48,666,492	30,749,950	3,712,833	-	34,462,783	14,203,709	17,185,745
Furniture & Fixture	3,412,328	6,780	-	3,419,108	2,945,295	220,427	-	3,165,722	253,386	467,033
Vehicles	7,053,440	4,684,550	4,224,664	7,513,326	4,707,542	1,290,888	3,290,530	2,707,900	4,805,426	2,345,898
Office Equipments	1,478,785	39,603	-	1,518,388	1,007,793	338,093	-	1,345,886	172,502	470,992
Computers	33,33,539	89,849	-	3,423,388	2,953,122	208,944	-	3,162,066	261,322	380,417
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-
<b>Total</b>	<b>77,981,904</b>	<b>6,125,939</b>	<b>4,224,664</b>	<b>79,883,179</b>	<b>50,457,056</b>	<b>6,405,621</b>	<b>3,290,530</b>	<b>53,572,147</b>	<b>26,311,032</b>	<b>27,524,848</b>
Previous year	73,920,556	4,061,348	-	77,981,904	46,165,976	4,291,080	-	50,457,056	27,524,848	27,754,580

**10.2 Intangible assets**

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	Up to March 31, 2014	For the Year	Deductions/ Adjustments	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
Technolgy Purchase	8,084,914	-	-	8,084,914	5,088,205	808,491	-	5,896,696	2,188,218	2,996,709
Software	475,900	-	-	475,900	46,938	47,590	-	94,528	381,372	428,962
<b>Total</b>	<b>8,560,814</b>	<b>-</b>	<b>-</b>	<b>8,560,814</b>	<b>5,135,143</b>	<b>856,081</b>	<b>-</b>	<b>5,991,224</b>	<b>2,569,590</b>	<b>3,425,671</b>
Previous year	8,084,914	475,900	-	8,560,814	4,279,714	855,429	-	5,135,143	3,425,671	3,805,200

8.3 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in accounting policy on depreciation, amortisation and depletion. Accordingly the unamortised carrying value in being depreciated/amortised over the revised, remaining useful lives. The written down value of fixed assets whose lives have expired as at 1st April, 2014 have been adjusted net of tax, in the opening balance of profit and loss account amounting to Rs. 340684/-.

**Notes to the financial statements as of and for the year ended March 31, 2015** (in ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>11 Non Current Investments</b> (Long Term Investment) In Equity Shares of Subsidiary Company 800000 fully paid up equity shares of ₹ 10/- each of Shree Coratomic Ltd.(Unquoted)	8,000,000 <b>8,000,000</b>	8,000,000 <b>8,000,000</b>
<b>12 Long-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Security and other deposits	976,938 <b>976,938</b>	1,202,588 <b>1,202,588</b>
<b>13 Inventories</b> Finished goods Stock-in-process Raw materials	8,561,336 9,665,599 13,307,807 <b>31,534,742</b>	50,26,633 3,951,272 17,451,015 <b>26,428,920</b>
<b>14 Trade receivables</b> <b>Unsecured, considered good</b> Outstanding for a period exceeding six months from the date they are due for payment Others	2,891,196 8,563,326 <b>11,454,522</b>	3,127,334 14,657,510 <b>17,784,844</b>
<b>15 Cash and bank balances</b> <b>Cash and cash equivalents</b> Cash on hand <b>Other bank balances</b> Bank of India - Dividend Fixed Deposits with banks* *Includes deposits NIL (P.Y. Rs. 130178) with maturity of more than 12 months	911,214 - 959,397 <b>1,870,611</b>	34,788 262,030 909,397 <b>1,206,215</b>
<b>16 Short-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Advance to vendors Advances recoverable in cash or kind Advance income tax Advance to employees	3,626,876 111,559 332,358 3,588,826 <b>7,659,619</b>	1,697,543 69,504 810,883 - <b>2,577,930</b>
<b>17 Other current assets</b> (Unsecured, considered good) Accrued Interest on Fixed Deposit with Banks	197,686 <b>197,686</b>	112,108 <b>112,108</b>
<b>18 Revenue from operations</b> Sale of products Less: Vat on Purchase VAT PAID  Other Operating Income Technology Fees Received Others	62,772,426 89,255 2,470,569 <b>60,212,602</b>  1,881,122 262,775 <b>2,143,897</b> <b>62,356,499</b>	67,927,699 108,714 2,631,373 <b>65,187,612</b>  3,069,218 64,700 <b>3,133,918</b> <b>68,321,530</b>
<b>19 Other income</b> Interest received Profit on sale of fixed assets	103,326 230,866 <b>334,192</b>	100,344 - <b>100,344</b>
<b>20 Cost of materials consumed</b> Inventory at the beginning of the year Add: Purchases Less: Inventory at the end of the year	17,451,015 20,495,827 13,307,807 <b>24,639,035</b>	18,573,552 20,788,362 17,451,015 <b>21,910,899</b>

## Notes to the Financial Statements for the year ended 31.03.2015

(in ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>21 Changes in inventories of finished goods and work-in-progress and stock-in-trade</b>		
<b>Inventory at the beginning of the year (a)</b>		
Finished goods	5,026,633	4,248,500
Stock in process	3,951,272	2,769,097
	<u>8,977,905</u>	<u>7,017,597</u>
<b>Inventory at the end of the year (b)</b>		
Finished goods	8,561,336	5,026,633
Stock in process	9,665,599	3,951,272
	<u>18,226,935</u>	<u>8,977,905</u>
<b>(a) - (b)</b>	<b><u>(9,249,030)</u></b>	<b><u>1,960,308</u></b>
<b>22 Employee benefits expense</b>		
Salaries and wages	15,878,162	14,997,854
Contribution to provident and other funds	1,300,476	448,112
Staff welfare expenses	121,343	179,811
	<u>17,299,981</u>	<u>15,625,777</u>
<b>23 Finance costs</b>		
Interest on term loan	746,381	671,539
Interest-others	3,158,812	3,547,220
Bank charges	151,754	349,277
	<u>4,056,947</u>	<u>4,568,036</u>
<b>24 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	169,725	98,696
Entry tax	364,424	372,198
Exchange difference (net)	37,533	319,402
Freight inward	452,234	317,086
Insurance	93,115	157,269
Job Work & Labour Charges	880,487	831,722
Laboratory Expenses	131,498	334,986
Lease rent and development charges	33,708	32,708
Power, fuel and water	1,040,247	842,535
Repairs to Others	67,574	104,862
Repairs to buildings	206,870	332,040
Repairs to plant and equipments	1,288,521	827,044
Fees for Technical Services	452,031	701,771
	<u>5,217,967</u>	<u>5,272,319</u>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	27,691	30,941
Packing materials	816,290	149,473
Commission	477,863	256,400
Conference Fees	400,000	116,346
Implantation Charges	1,816,012	2,207,817
Travelling expenses	3,052,622	4,266,173
Freight outward	318,266	331,011
Selling and business promotion expenses	3,623,753	3,414,206
	<u>10,532,497</u>	<u>10,772,367</u>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	121,500	173,000
Conveyance	87,616	68,452
Courier and postage charges	108,941	60,195
Legal and professional charges	762,282	1,046,480
Misc. expenses	557,739	490,230
Printing and stationery	162,238	204,968
Rates and taxes	216,550	84,283
Rent	1,345,500	722,400
Telephone and fax charges	229,335	235,619
VAT and Sales Tax	-	35,598
Vehicle running & Mainenance Expenses	715,618	686,767
<b>(a)+(b)+(c)</b>	<b><u>20,057,783</u></b>	<b><u>19,852,678</u></b>

## Notes to the Financial Statements for the year ended 31.03.2015

(in ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>25 Earnings per share</b>		
Profit after tax (a)	(365,357)	3,413,652
Weighted average number of equity shares outstanding (b)	3,599,400	3,599,400
Nominal value of an equity share	10	10
Earnings per share		
Basic [(a) / (b)]	(0.10)	0.95
Diluted [(a) / (c)]	(0.10)	0.95
<b>26 Contingent liabilities</b>		
The disputed demand of income tax	280,000	280,000
	<b>280,000</b>	<b>280,000</b>
<b>27 CIF value of imports</b>		
Raw materials	15,551,597	15,895,355
Capital goods	-	1,978,470
	<b>15,551,597</b>	<b>17,873,825</b>
<b>28 Expenditure in foreign currency</b>		
Foreign travel	501,050	620,250
Fees for Technical Services	249,559	394,388
	<b>750,609</b>	<b>1,014,638</b>
<b>29 Earnings in foreign currency</b>		
Export sales	6,426,484	<b>8,257,205</b>
Technology fees received	1,881,122	3,068,218
	<b>8,307,606</b>	<b>11,325,423</b>
<b>30 Payment to auditors</b>		
For statutory audit	90,000	87,000
For tax audit	15,000	12,000
For Other Services	16,500	74,500
	<b>121,500</b>	<b>173,000</b>
<b>31 Details of consumption and purchases</b>		
<b>(a) Details of raw materials consumed</b>	24,639,035	21,910,899
<b>(b) Value of imported and indigeneous materials consumed</b>		
Raw materials:		
Imported	21,624,194	18,842,628
Indigenous	3,014,841	1,945,734
<b>32 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 Accounting Standard -17 "Segment Reporting".

**B. Secondary segment**

Particulars *	India	Rest of the world	Total
i) Segment revenue	54,048,893 (56,996,107)	83,07,606 (11,325,423)	62,356,499 (68,321,530)
ii) Carrying cost of segment assets	90,868,916 (87,918,354)	- (344,770)	90,868,916 (88,263,124)
iii) Addition to Fixed Assets	6,125,939 (4,537,248)	- -	6,125,939 (4,537,248)

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

**33 Related party disclosures**

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

**A. Subsidiary Company**

Shree Coratomic Ltd

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

(I) Key Management Personnel

Atul Kumar Sethi

Amita Sethi

Vikas Gokhale

Managing Director

Whole time Director

Director

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

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

Sethi Resins Pvt Ltd

**Details of transactions and closing balances**

	Year Ended March 31st, 2015	Year Ended March 31st, 2014
<b>Shree Coratomic Ltd</b>		
Sale of Goods	1,478,498	4,461,000
Closing Balance - Receivable	1,441,199	4,468,874
<b>Aul Kumar Sethi</b>		
Director Remuneration	2,630,400	2,630,400
Rent	1,020,000	420,000
Interest	-	800,000
Closing Balance - Payable	(3,009,826)	1,383,517
<b>Mrs. Amita Sethi</b>		
Director Remuneration	657,600	657,600
<b>Vikas Gokhale</b>		
Director Remuneration	973,128	840,000
Closing Balance - Payable	-	68,788
<b>Mrs. Hira Sethi</b>		
Rent	180,000	180,000
<b>Mrs. Yamini Gokhale</b>		
Commission	241,080	159,080
Closing Balance - Payable	31,500	75,819

**34 Dues to micro and small enterprises**

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

Particulars	Year Ended March 31st, 2015	Year Ended March 31st, 2014
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,036,457	380,342
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-
The above information regarding micro and small enterprises has been determined on the basis of information available with the Company.		

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

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

As per our report of even date

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

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

Place : INDORE  
DATE : May 30, 2015

For and on behalf of Board of the Directors

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

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

**Hari Mohan Jha**  
Chief Financial Officer



		(₹ in Lacs)	
<b>Particulars</b>		<b>2012-13</b>	<b>2011-12</b>
6.	Payment to Auditors		
	I For services as Auditors	0.81	0.31
	II For Tax Audit	0.10	0.10
	III For Other Services	0.25	0.45
7.	Raw Materials Consumed:	161.23	197.88
8.	Imported and Indigenous Consumption:		
	Imported	143.35	179.22
	(in %)	88.91%	90.57%
	Indigenous	17.88	18.66
	(in %)	11.09%	9.43%
9.	C I F Value of Imports during the year Raw Materials.	243.71	160.15
10.	Expenditure in Foreign Currency		
	Fees for Technical Services	1.61	9.74
	Travelling Expenses	3.28	4.93
11.	Remittance in Foreign Currency on account of dividends	-	-
12.	Earnings in Foreign Exchange.		
	Export of Goods	52.61	101.67
13.	Managerial Remuneration		
	Managing Director	24.00	24.00
	Whole time Director	14.40	6.00
	Contribution to P.F.	2.88	2.88
14.	Contingent liabilities not provided for in respect of :-		
	a) Guarantee given by Banks	37.60	61.10
	b) Disputed demands of Income-Tax	2.80	2.80
15.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances).	-	16.70
16.	Previous year figures have been regrouped/rearranged wherever necessary to make them comparable with current year.		
17.	The figures have been rounded off to the nearest rupee.		

As per our report of even date attached  
For **S. R. NAREDI & CO.**  
Chartered Accountants  
**(CA S. R. Naredi)**  
Proprietor

Place : INDORE  
DATE : 30th May 2015

**For and on behalf of the Board of Directors**

**Atul Kumar Sethi**  
Managing Director

**Amita Sethi**  
Whole time Director

**Praveen Barjatiya**  
Director

**STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(3) AND 212(5)  
OF THE COMPANIES ACT , 1956 RELATING TO SUBSIDIARY COMPANY**

(In ₹ )

NAME OF SUBSIDIARY COMPANY	SHREE CORATOMIC LIMITED
SHARE CAPITAL	
Authorised Capital	2,00,00,000/-
Paid up Capital	80,07,000/-
RESERVES	(-) 2,57,427
TOTAL ASSETS	1,53,29,408
TOTAL LIABILITIES	75,79,835
DETAILS OF INVESTMENTS (except in case of investment in the subsidiaries)	NIL
TURNOVER	1,07,25,521
PROFIT BEFORE TAXATION	8,62,332
PROVISION FOR TAXATION	3,06,785
PROFIT AFTER TAXATION	5,55,587
PROPOSED DIVIDEND	NIL

As per our report of even date attached  
For **S. R. NAREDI & CO.**  
Chartered Accountants  
**(CA S. R. Naredi)**  
Proprietor

Place : INDORE  
DATE : 30th May 2015

**For and on behalf of the Board of Directors**

**Atul Kumar Sethi**  
Managing Director

**Amita Sethi**  
Whole time Director

**Praveen Barjatiya**  
Director

**INDEPENDENT AUDITORS' REPORT****To The Members of Shree Pacetronix Limited****Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Shree Pacetronix Limited (hereinafter referred to as "the Company") and its subsidiary, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2015;
  - b) In the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and,
  - c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

CA S.R. Naredi  
Proprietor  
Membership No. 72014

Place: Indore  
Date : May 30, 2015

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST, 2015

(In INR ₹)

Particulars	Note	As at March 31st , 2015	As at March 31st , 2014
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	2	35,994,000	35,994,000
Reserves and surplus	3	17,684,979	18,644,321
Minority Interest		6,660	6,867
<b>Non-current liabilities</b>			
Long-term borrowings	4	2436625	928,090
Other long term liabilities	5	2,50,000	298,500
Deferred tax liability (net)		-	1,369,500
<b>Current liabilities</b>			
Short-term borrowings	6	24,315,616	19,584,550
Trade payables	7	13,58,121	3,192,083
Other current liabilities	8	6,816,888	6,976,794
Short term provisions	9	2,125,108	2,853,641
<b>Total</b>		<b>90,987,997</b>	<b>89,848,346</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10.1	26,363,235	27,591,808
Intangible assets	10.2	4,902,924	6,559,005
Deferred Tax Assets (Net)		52,630	-
Long-term loans and advances	11	1,797,937	2,088,009
<b>Current assets</b>			
Inventories	12	31,572,786	29,260,099
Trade receivables	13	13,371,583	18,938,803
Cash and bank balances	14	3,106,409	1,343,670
Short-term loans and advances	15	9,622,807	3,954,844
Other current assets	16	197,686	112,108
<b>Total</b>		<b>90,987,997</b>	<b>89,848,346</b>

As per our report of even date

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

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

Place : INDORE  
DATE : May 30, 2015

For and on behalf of Board of the Directors

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

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

**Hari Mohan Jha**  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015

(In INR ₹)

Particulars	Note	Year Ended March 31st , 2015	Year Ended March 31st , 2014
<b>REVENUE</b>			
Revenue from operations (net)	17	66,046,400	76,613,154
Other income	18	334,192	108,428
<b>Total revenue</b>		<b>66,380,592</b>	<b>76,721,582</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	19	24,639,035	21,910,899
Purchases		(940,568)	2,307,683
Changes in inventories of finished goods and work-in-progress and stock-in-trade	20	(6,455,895)	(122,765)
Employee benefits expense	21	17,486,913	16,852,509
Finance costs	22	4,227,846	4,723,767
Depreciation and amortisation expense		7,580,954	5,966,513
Other expenses	23	21,063,157	21,646,948
<b>Total expenses</b>		<b>67,601,442</b>	<b>73,285,554</b>
<b>Profit (Loss) before tax</b>		<b>(1,220,850)</b>	<b>3,436,028</b>
<b>Tax expense</b>			
Current tax		643,874	422,964
Deferred tax		(1,262,394)	716,240
<b>Profit/(Loss) for the year</b>		<b>(602,330)</b>	<b>2,296,824</b>
<b>Minority Interest</b>		<b>207.00</b>	<b>91</b>
<b>Profit/(Loss) for year after adjustment of minority Interest</b>		<b>(602,123.00)</b>	<b>2,296,733</b>
<b>Earnings per equity share</b>			
Basic & Diluted (in Rs.)		(0.17)	0.64

As per our report of even date

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

(CA S. R. Naredi)  
Proprietor  
Membership Number: 072014  
Place : INDORE  
DATE : May 30, 2015

For and on behalf of Board of the Directors

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

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

**Hari Mohan Jha**  
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31ST, 2015**

(in INR ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	-1220850	3436028
Adjusted for:		
Depreciation and Amortisation Expense	7580954	5966513
Interest Income	-103326	-108428
Interest paid	4227846	4723767
Profit on sale of fixed assets	-230866	
	11,474,608	10,581,852
Operating Profit before Working Capital Changes	10253758	14017880
Adjusted for:		
Trade & other Receivables	-374774	-1838612
Inventories	-2312687	999772
Trade & Other Payables	-2033741	-1987351
	-4721202	-2826191
Cash Generated from Operations	5532556	11191689
Taxes Paid	-854009	-580104
	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>4678547</b>	<b>10611585</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	1165000	
Purchase of Fixed Assets	-6147389	-4565537
Interest Income	103326	108428
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-4879063</b>	<b>-4457109</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	1460035	-1278844
Proceeds from Short Term Borrowings (Net)	4731066	-2523764
Interest Paid	-4227846	-4723767
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>1963255</b>	<b>-8526375</b>
Net Increase / Decrease (-) in Cash and Cash Equivalents	1762739	-2371899
Opening Balance of Cash and Cash Equivalents	1343670	3715569
Closing Balance of Cash and Cash Equivalents	<b>3106409</b>	<b>1343670</b>

As per our report of even date Attached

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

**(CA S. R. Naredi)**  
Proprietor  
Membership Number: 072014  
Place : INDORE  
DATE : May 30, 2015

For and on behalf of the Board of the Directors

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

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

**Hari Mohan Jha**  
Chief Financial Officer

**1. CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES****a) Principle of consolidation :**

- I. The financial statements of the parent company and its subsidiary have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profit/loss on intra-group transactions, as per Accounting Standard 21-Consolidated Financial Statements.
- II. The financial statements of the parent company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other event in similar circumstances and presented in the same manner as the company's separate financial statements.
- III. The financial statements of the subsidiary used in the consolidated are drawn up to the same reporting date as that of the company i.e. 31<sup>st</sup> March.
- IV. Minority Interest's share of net Loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- V. Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and equity of the company's shareholders.

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

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

**c) Use of estimates**

The preparation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known / materialized.

**d) Revenue recognition**

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

**e) Tangible and intangible assets**

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

**f) Depreciation / amortization**

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

**g) Impairment of assets**

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

**h) Foreign currency transaction**

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

**i) Borrowing cost**

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

**j) Inventories**

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

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

**k) Retirement Benefits**

- i) Short-term employees contributions like Provident Fund, Employees State Insurance Scheme are charged off at the undiscounted amount in the year in which the related services are rendered.
- ii) Post employment and other long term employee benefits like gratuity is provided on actuarial valuation at the end of the year and charged to Profit and Loss account. Accordingly, Group Gratuity Scheme from Life Insurance Corporation under which gratuity liability of Rs 15.87 Lacs (Previous Year Rs 13.77 Lacs) remain outstanding which is computed based on Projected Unit Credit Method and company has made provision of gratuity Rs 2.10 Lacs (Previous Year Rs 1.69 Lacs)

**l) Taxation**

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

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

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

As per our report of even date attached  
For **S. R. NAREDI & CO.**  
Chartered Accountants  
**(CA S. R. Naredi)**  
Proprietor

**For and on behalf of the Board of Directors**

**Atul Kumar Sethi**  
Managing Director

**Amita Sethi**  
Whole time Director

Place : INDORE  
DATE : May 30, 2015



**Notes to the Consolidated financial statements as of and for the year ended March 31, 2015**

(In INR ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>2 Share capital</b>		
<b>Authorised</b>		
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	50,000,000	50,000,000
<b>Issued, subscribed and paid up</b>		
35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	35,994,000	35,994,000
	<b>35,994,000</b>	<b>35,994,000</b>

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

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of shares	(In INR ₹)	No. of shares	(In INR ₹)
Balance as at the beginning of the year	3,599,400	35,994,000	3,599,400	35,994,000
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,599,400</b>	<b>35,994,000</b>	<b>3,599,400</b>	<b>35,994,000</b>

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

Particulars	Percentage holding As at	
	March 31, 2015	March 31, 2014
Mr. Atul Kumar Sethi 705406 (Previous year: 675606) shares of Rs.10 each	19.60%	18.77%
Mrs. Manmohini Kaur 105558 (Previous year: 430558) shares of Rs.10 each	2.93%	11.96%
Bio Pace Technology 295432 (Previous year: 295432) shares of Rs.10 each	8.21%	8.21%
Mathew Samul Kalarickal 326639 (Previous year: 326639) shares of Rs.10 each	9.07%	9.07%
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
	<b>Rupees</b>	<b>Rupees</b>

**3 Reserves and surplus**

<b>Capital investment subsidy</b>		
Balance as per last Financial Statements	1,500,000	1,500,000
Balance as at the end of the year	1,500,000	1,500,000
<b>Securities Premium</b>		
Balance as per last Financial Statements	4,673,108	4,673,108
Balance as at the end of the year	4,673,108	4,673,108
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as per last Financial Statements	12,471,213	10,174,480
Profit/(Loss) for the year	(602,123)	2,296,733
	11,869,090	12,471,213
Less : Adjustments relating to Fixed assets	357,219	-
Balance at the end of the year	11,511,871	1,2471,213
	<b>17,684,979</b>	<b>18,644,321</b>

**4 Long-term Borrowings**

<b>Term loan - Secured</b>		
Bank Finance Ltd.	1,629,884	-
ICICI Bank Ltd. Car Loan	668,853	-
Reliance Capital Ltd (Car)	-	389,318
Reliance Capital Ltd (Car)	-	189,251
Reliance Capital Ltd (Vehicle loan)	137,888	349,521
	<b>2,436,625</b>	<b>928,090</b>

**Nature of security :****Secured loans**

1 Term loans from Reliance Capital Ltd is secured by hypothecation of cars and vehicle.

**Maturity profile of long term borrowings**

<b>Secured loans</b>		
2015-16	-	574,909
2016-17	1,540,195	353,181
2017-18	8,96,430	-
	<b>2,436,625</b>	<b>928,091</b>

**Notes to the financial statements as of and for the year ended March 31, 2015**

(In INR ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>5 Other long-term liabilities</b>		
Deposit from customers	250,000	298,500
	<u>250,000</u>	<u>298,500</u>
<b>6 Short-term borrowings</b>		
<b>A. Unsecured Loan</b>		
Magma Fincorp Limited	2,017,876	
Tata Capitals Ltd	1,396,550	459,631
ICICI Bank Ltd	875,137	624,607
<b>B. WORKING CAPITAL LOAN</b>		
Bank of india (Secured)	20,026,053	18,500,312
	<u>24,315,616</u>	<u>19,584,550</u>
The cash credit facilities availed from Bank of India are secured by hypothecation of the Company's current assets consisting of stock of Finished Goods, Stock in Process, Raw Materials. and book debts both present and future. Further secured by First Charge over fixed assets of the company and personal guarantee of Managing Director Shri Atul Kumar Sethi and Whole Time Director, Mrs Amita Sethi.		
<b>7 Trade payables</b>		
Micro, small and medium enterprises	1,036,457	1,417,639
Others	321,664	1,774,444
	<u>1,358,121</u>	<u>3,192,083</u>
<b>8 Other current liabilities</b>		
Unclaimed Dividend	-	262,030
Current maturities of long term debts*	1,022,723	884,541
Advance from customers	2,431,867	333,020
Statutory dues (including provident fund and tax deducted at source)	766,082	463,168
Other payables	2,596,216	5,034,035
	<u>6,816,888</u>	<u>6,976,794</u>
<b>Nature of security:</b>		
* It includes Car loan and vehicle loan from ICICI Bank Ltd. and Reliance Capital Ltd to be repayable within a period of year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.		
<b>9 Short-term provisions</b>		
Provision for Employee benefits	2,125,108	2,164,981
Provision for income tax	-	688,660
	<u>2,125,108</u>	<u>2,853,641</u>

**10.1 Tangible assets**

(In INR ₹)

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	Up to March 31, 2014	For the Year	Deductions/ Adjustments	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	193,350	193,350
Buildings	14,329,375	574,360	-	14,903,735	7,847,962	634,436	-	8,482,398	6,421,337	6,481,413
Plant & Machineries	47,935,695	730,797	-	48,666,492	30,749,950	3,712,833	-	34,462,783	14,203,709	17,185,745
Furniture & Fixture	3,545,871	6,780	-	3,552,651	30,59,997	229,062	-	32,89,059	263,592	485,874
Vehicles	7,053,440	4,684,550	4,224,664	7,513,326	4,707,542	1,290,888	3,290,530	2,707,900	4,805,426	2,345,898
Office Equipments	1,591,725	61,053	-	1,652,778	10,98,383	364,278	-	14,62,661	190,117	493,342
Computers	3,805,132	89,849	-	3,8,94,981	33,98,946	2,10,331	-	36,09,277	285,704	406,186
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-
<b>Total</b>	<b>78,699,980</b>	<b>6,147,389</b>	<b>4,224,664</b>	<b>80,622,705</b>	<b>5,11,08,172</b>	<b>64,41,828</b>	<b>3,290,530</b>	<b>54,259,470</b>	<b>26,363,235</b>	<b>27,591,808</b>
Previous year	74,610,343	4,089,637	-	78,699,980	4,67,97,088	43,11,084	-	51,108,172	27,591,808	27,813,255

**10.2 Intangible assets**

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	Up to March 31, 2014	For the Year	Deductions/ Adjustments	Up to March 31, 2015	As at March 31, 2015	As at March 31, 2014
Technolgy Purchase	16,084,914	-	-	16,084,914	99,54,871	1,608,491	-	1,15,63,362	45,21,552	61,30,043
Software	475,900	-	-	475,900	46,938	47,590	-	94,528	3,81,372	4,28,962
<b>Total</b>	<b>16,560814</b>	<b>-</b>	<b>-</b>	<b>16,560,814</b>	<b>10,001,809</b>	<b>16,56,081</b>	<b>-</b>	<b>11657,890</b>	<b>49,02,924</b>	<b>65,59,005</b>
Previous year	16,084,914	475,900	-	16,560,814	8,346,380	16,55,429	-	10,001,809	65,59,005	77,38,534

**Notes to the Consolidated financial statements as of and for the year ended March 31, 2015**  
(in ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>11 Long-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Security and other deposits	17,97,937	2,088,009
	<b>17,97,937</b>	<b>2,088,009</b>
<b>12 Inventories</b> Finished goods Stock-in-process Raw materials Stock in Trader	85,61,336 96,65,599 1,33,07,807 38,044	5,026,633 3,951,272 17,451,015 2,831,179
	<b>3,15,72,786</b>	<b>29,260,099</b>
<b>13 Trade receivables</b> <b>Unsecured, considered good</b> Outstanding for a period exceeding six months from the date they are due for payment Others	41,99,716 91,71,867	5,810,411 13,128,392
	<b>1,33,71,583</b>	<b>18,938,803</b>
<b>14 Cash and bank balances</b> <b>Cash and cash equivalents</b> Cash on hand <b>Other bank balances</b> Bank of India - Dividend Fixed Deposits with banks*	21,47,012  - 9,59,397	172,243  262,030 9,09,397
*Includes deposits Nil (P.Y. Rs. 130178) with maturity of more than 12 months	<b>31,06,409</b>	<b>13,43,670</b>
<b>15 Short-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Advance to vendors Advances recoverable in cash or kind Advance income tax Advance to employees	36,26,876 18,68,187 5,38,918 35,88,826	16,97,543 12,39,858 10,17,443 -
	<b>96,22,807</b>	<b>3,954,844</b>
<b>16 Other current assets</b> (Unsecured, considered good) Accrued Interest on Fixed Deposit with Banks	1,97,686	1,12,108
	<b>1,97,686</b>	<b>1,12,108</b>
<b>17 Revenue from operations</b> Sale of products Less: Vat on Purchase VAT PAID  Other Operating Income Technology Fees Received Others	6,67,28,861 1,70,309 26,56,049  1,881,122 2,62,775 21,43,897	7,68,65,313 3,32,880 30,53,197  30,69,218 64,700 3,133,918
	<b>6,39,02,503</b>	<b>7,34,79236</b>
	<b>6,60,46,400</b>	<b>76,613,154</b>
<b>18 Other income</b> Interest received Profit on sale of fixed assets	1,03,326 2,30,866	108,428 -
	<b>3,34,192</b>	<b>108,428</b>
<b>19 Cost of materials consumed</b> Inventory at the beginning of the year Add: Purchases Less: Inventory at the end of the year	1,74,51,015 2,04,95,827 1,33,07,807	1,85,73,552 2,07,88,362 1,74,51,015
	<b>2,46,39,035</b>	<b>2,19,10,899</b>

## Notes to the Financial Statements for the year ended 31.03.2015 (in INR ₹)

Particulars	As at March 31st, 2015	As at March 31st, 2014
<b>20 Changes in inventories of finished goods and work-in-progress and stock-in-trade</b>		
<b>Inventory at the beginning of the year (a)</b>		
Finished goods	50,26,633	4,248,500
Stock in process	39,51,272	2,769,097
Stock in Trade	28,31,179	4,668,722
	<b>1,18,09,084</b>	<b>11,686,319</b>
<b>Inventory at the end of the year (b)</b>		
Finished goods	85,61,336	5,026,633
Stock in process	96,65,599	3,951,272
Stock in Trade	38,044	2,831,179
	<b>1,82,64,979</b>	<b>11,809,084</b>
<b>(a) - (b)</b>	<b>(64,55,895)</b>	<b>122,765</b>
<b>21 Employee benefits expense</b>		
Salaries and wages	1,60,65,094	16,191,786
Contribution to provident and other funds	13,00,476	448,112
Staff welfare expenses	1,21,343	212,611
	<b>1,74,86,913</b>	<b>16,852,509</b>
<b>22 Finance costs</b>		
Interest on term loan	7,46,381	671,539
Interest-others	32,69,263	3,652,188
Bank charges	2,12,202	4,00,040
	<b>42,27,846</b>	<b>47,23,767</b>
<b>23 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	1,69,725	98,696
Entry tax	3,64,424	372,198
Exchange difference (net)	37,533	319,402
Freight inward	4,52,234	317,086
Insurance	93,115	157,269
Job Work & Labour Charges	8,80,487	831,722
Laboratory Expenses	1,31,498	3,34,986
Lease rent and development charges	33,708	32,708
Power, fuel and water	10,40,247	8,42,535
Repairs to Others	67,574	1,04,862
Repairs to buildings	2,06,870	3,32,040
Repairs to plant and equipments	12,88,521	827,044
Fees for Technical Services	4,52,031	701,771
	<b>52,17,967</b>	<b>5,272,319</b>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	27,691	30941
Packing materials	8,16,290	1,49,473
Commission	4,77,863	2,56400
Conference Fees	4,00,000	1,16,346
Implantation Charges	19,42,912	24,06,017
Travelling expenses	30,70,610	43,06,425
Freight outward	3,18,266	3,31,011
Selling and business promotion expenses	43,05,753	47,28,763
	<b>1,13,59,385</b>	<b>1,23,25,374</b>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	1,46,500	1,98,000
Conveyance	95,758	78,426
Courier and postage charges	1,08,941	60,195
Legal and professional charges	821,782	11,20,980
Misc. expenses	6,20,209	5,99,636
Printing and stationery	1,63,264	2,06,042
Rates and taxes	2,29,983	98,653
Rent	13,45,500	7,22,400
Telephone and fax charges	2,38,250	2,35,619
VAT and Sales Tax	-	42537
Vehicle running & Maintenance Expenses	7,15,618	6,86,767
	<b>44,85,805</b>	<b>40,49,255</b>
<b>(a)+(b)+(c)</b>	<b>2,10,63,157</b>	<b>2,16,46,948</b>

## Notes to the Financial Statements for the year ended 31.03.2015

(in INR ₹)

Particulars	As at March	
	31st, 2015	31st, 2014
24 The consolidated Financial Statements present the Consolidated account of Shree Pacetronix Limited with its subsidiary. The names, country of incorporation, percentage of ownership interest is as under :-		
Name of the Company	Country of Incorporation	% Shareholding of Shree Pacetronix Limited
Shree Coratomic Ltd.	India	99.91%

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

## 26 Segment reporting

## A. Primary segment

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

## B. Secondary segment

(In INR ₹)

Particulars *	India	Rest of the world	Total
i) Segment revenue	5,77,38,794 (6,52,87,731)	83,07,606 (1,13,25,423)	6,60,46,400 (7,66,13,154)
ii) Carrying cost of segment assets	9,09,87,997 (8,95,03,576)	- (344,770)	9,09,87,997 (8,98,48,346)
iii) Addition to Fixed Assets	61,47,389 (45,65,537)	- -	61,47,389 (45,65,537)

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

## 27 Related party disclosures

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

## A Holding / Subsidiary Company

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

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

## (I) Key Management Personnel

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

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

Smt Heera Sethi  
Mrs. Yamini Gokhale

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

Sethi Resins Pvt Ltd

**Details of transactions and closing balances**

	<u>Year Ended March 31st, 2015</u>	<u>Year Ended March 31st, 2014</u>
<b>Atul Kumar Sethi</b>		
Director Remuneration	2,630,400	2,630,400
Rent	10,20,000	4,20,000
Interest	-	8,00,000
Closing Balance - Payable	(3,009,826)	1,383,517
<b>Mrs. Amita Sethi</b>		
Director Remuneration	657,600	657,600
<b>Vikas Gokhale</b>		
Director Remuneration	9,73,128	840,000
Closing Balance - Payable	-	68,788
<b>Mrs. Hira Sethi</b>		
Rent	180,000	180,000
<b>Mrs. Yamini Gokhale</b>		
Commission	2,41,080	159,080
Closing Balance - Payable	31,500	75,819
<b>28 Contingent liabilities :-</b>		
<b>(ii) The disputed demand on Income Tax</b>	<u>280,000</u>	<u>280,000</u>
	<u>280,000</u>	<u>280,000</u>

**29** Figure pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the parent company's financial statements

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

As per our report of even date

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

Firm Registration Number: 002818C

Chartered Accountants

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

Proprietor

Membership Number: 072014

Place : INDORE

DATE : May 30, 2015

**Atul Kumar Sethi**

Managing Director

DIN-00245685

**Hari Mohan Jha**

Chief Financial Officer

**Amita Sethi**

Whole time Director

DIN-00245722

**SHREE PACETRONIX LIMITED**

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

**PROXYFORM**

Form No. MGT-11

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

CIN : L33112MP1988PLC004317

Name of the Company : Shree Pacetrnix Limited

Registered office : Plot No. 15; Sector No. II, Industrial Area, Pithampur, (M.P.) 454775

Name of the member (s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No/ Client ID/DP ID : \_\_\_\_\_

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the Company, to be held on Wednesday, the 30<sup>th</sup> day of September, 2015 at 10:00 AM at the registered office of the company, and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:	
1.	Receive, consider and adopt the audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2.	Retire by rotation of Mr. Vikas Gokhale Whole-Time Director
3.	Appointment of Auditors and fixing their remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix revenue  
Stamp of Rs.1

Signature of shareholder

Signature of Proxy holder(s)

**Note:**

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

ATTENDANCE SLIP

**27<sup>th</sup> ANNUAL GENERAL MEETING ON 30<sup>TH</sup> SEPTEMBER 2015.**

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

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

(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.  
I/We hereby record my/our presence at the 27<sup>th</sup> Annual General meeting of the company at the Registered office of the company on 30<sup>th</sup> September, 2015.

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

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

**Note :**

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



*If undelivered, please return to :*  
**Shree Pacetronix Limited**  
Plot No. 15, Sector II, Industrial Area, Pithampur, Dist. DHAR (M.P.)  
Pin - 454775

Radiant Printer : 2538485