

**29<sup>th</sup>**  
**ANNUAL REPORT**  
**2016 - 2017**



**Shree Pacetrnix Ltd.**

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*Technology Serving Humanity*

*An ISO-9001 Company*

<b>MANAGING DIRECTOR</b>	:	Mr. Atul Kumar Sethi (DIN: 00245685)
<b>WHOLE-TIME DIRECTOR</b>	:	Mrs. Amita Sethi (DIN: 00245722)
<b>WHOLE-TIME DIRECTOR</b>	:	Mr. Vikas Gokhale (DIN: 05193393)
<b>INDEPENDENT DIRECTORS</b>	:	Mr. Sushil Kumar Patni (DIN: 00245754)
	:	Mr. Pravin Kumar Badjatya (DIN: 00457056)
	:	Mr. Anil Rathi (DIN: 00492926)
<b>CHIEF FINANCIAL OFFICER</b>	:	Mr. Ashok Atulkar
<b>COMPANY SECRETARY</b>	:	Ms. Priya Singh
<b>STATUTORY AUDITORS</b>	:	Ajay Sharma and Company Chartered Accountants 210, II Floor, K.K. Bapna Arcade, 7/1 Dr. R.S. Bhandari Marg, Janjirvala Square, Indore (M.P.) - 452003
<b>BANKERS</b>	:	Bank of India, Santha Bazar, Indore, Madhya Pradesh
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	:	Ankit Consultancy Private Limited 60 Electronic Complex, Pardesipura, Indore (M.P.) 452010 Tel No-0731-2551745-46, Fax-0731-4065798, E-mail- rtaindore@gmail.com
<b>REGISTERED OFFICE</b>	:	Plot No. 15, Sector-II, Industrial Area, Pithampur, Dist. Dhar, (M.P.) - 454775 www.pacetronix.com pacetronix@hotmail.com Tel: +91- 7292-411105 Fax: +91-7292-400418 CIN: L33112MP1988PLC004317

**NOTICE**

**NOTICE** is hereby given that Twenty Ninth Annual General Meeting of the Members of the SHREE PACETRONIX LIMITED will be held on **Monday, 25th September, 2017 at 11.30 A.M.** at the registered office of the Company at Plot No 15, Sector-II, Industrial Area, Pithampur, Dist. Dhar, (M.P.) - 454775 to transact the following business : -

**ORDINARY BUSINESS:****1. To receive, consider and adopt:**

- (a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors Thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, together with the Reports of Auditors Thereon.

2. To appoint a Director in place of Mr. Vikas Gokhale (DIN: 05193393), Whole time Director who retires by rotation and being eligible, offers himself for re-appointment.

3. To ratify the appointment of Ajay Sharma and Company, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration and to pass the following resolution as Ordinary Resolution thereof:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by Members at the Twenty Eighth Annual General Meeting held on 30th September, 2016 appointing Ajay Sharma and Company, Chartered Accountants (ICAI Firm Registration No: 013306C) as Statutory Auditors of the Company to hold office until the conclusion of Thirty Third Annual General Meeting of the Company to be held in 2021, the Company hereby ratifies and confirms the appointment of Ajay Sharma and Company, as Statutory Auditors of the Company for the financial year ending 31st March, 2018 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

**SPECIAL BUSINESS:****4. RE-APPOINTMENT OF MR. VIKAS GOKHALE (DIN: 05193393) AS WHOLETIME DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 196, 197, 198, 203 read with the provisions of Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014, recommendation of Nomination & Remuneration Committee and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the approval of the members of the Company be and are hereby accorded for the re-appointment and remuneration being paid or provided to Mr. Vikas Gokhale (DIN: 05193393) as one of the Whole-Time Key Managerial Person to be designated as the Whole Time Director of the Company for a further period of three years commencing from 30th January, 2018 to 29th January, 2021, liable to retire by rotation, on the remuneration and other terms and condition given below:

**A. Salary per month:** 80,500/- (Rupees Eighty Thousand Five Hundred only)

**B.** He shall be entitled to provident fund, gratuity, retirement benefits, leave encashment and any other benefit & facilities as per the Rules of the Company.

**C. Other Perquisites:**

n Car: The Company may provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.

n Telephone, Internet & Cell: The Company may provide free use of telephone, internet at his residence and Cell phone.

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Vikas Gokhale (DIN:05193393) shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

**RESOLVED FURTHER THAT** Mr. Vikas Gokhale (DIN:05193393), Whole Time Director shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company as determined by Board.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to vary, modify the terms and conditions and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to hold the increments, decide breakup of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

**5. To Call Remaining Rs. 15/- on Reissued 74,200 Forfeited Equity Shares (Reissued On 25th September, 2007):**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-  
**"RESOLVED THAT** pursuant to the Special Resolution passed as per applicable provisions of Companies Act, 1956/Companies Act, 2013 and Articles of Association, by the members of the Company in their Annual General Meeting (AGM) held on 17th November, 2007, to confirm and approve the decision of the Board of Directors of the Company pertaining to re-issue/re allotment, of 74200 forfeited equity shares of Rs. 10/- each partly paid, at Rs. 22/- per share for cash, to the promoters of the Company to make them fully paid at an aggregate sum of Rs. 22/- per share and on such terms and conditions as may be determined by the Board in its discretion.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 1956, Companies Act, 2013 and SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009 the consent of the members of the Company be and is hereby accorded to authorize the Board of Directors to ratify and pass a fresh resolution to call remaining amount of Rs. 15/- per share for reissued 74200 forfeited equity shares of the Company at an aggregate sum of Rs. 37/- per share to same promoters as allotted before.

**RESOLVED FURTHER THAT** the difference amount of Rs. 15/- (Fifteen) be collected from the allottee.

**RESOLVED FURTHER THAT** Board of Directors of the company be and is hereby authorized to do all such acts, deeds, matters and things as it may in their absolute discretion deem necessary, proper or desirable including settling any questions, difficulty or doubt that may arise/arised in respect of listing of above mentioned share at BSE Limited."

**6. To Approve the Expenses for Service of Documents to Members**

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

**"RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed there under, the consent of the Company be and is hereby accorded to charge certain fee in advance from a member, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by such member for delivery of such document to him/ her through such mode of service provided that such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

**RESOLVED FURTHER THAT** Board of the Directors of the Company be and are hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution."

**PLACE :** Pithampur

**DATE :** 11.08.2017

Registered Office:  
 Plot No 15, Sector-II,  
 Industrial Area,  
 Pithampur, Dist. Dhar,  
 (M.P.) – 454775

By the order of the Board of Directors  
**SHREE PACETRONIX LIMITED**

**Priya Singh**  
 Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT TO 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. The instrument appointing the proxy, duly completed, stamped and signed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting. The proxy form for the AGM is enclosed herewith.
4. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice.
5. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 25th September 2017 (Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015) forms part of the notice.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.

7. Pursuant to Provisions of Section 91 of the Companies Act, 2013, the Register of Members and share transfer book of the Company will remain closed during the period from Tuesday, 19th September, 2017 to, Monday, 25th September, 2017 (both days inclusive).
8. The Members are requested to:
  - a. Intimate changes, if any, in their registered addresses immediately.
  - b. Quote their ledger folio number in all their correspondence.
  - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
  - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
9. Members seeking any information are requested to write to the Company by e-mail at [pacetronix@hotmail.com](mailto:pacetronix@hotmail.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to Ankit Consultancy Private Limited, RTA of the Company for consolidation into a single folio.
12. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Ankit Consultancy Private Limited, 60 Electronic Complex, Pardesipura, Indore (M.P.) 452010.
13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
14. In accordance with the provisions of Section 101 of the Companies Act, 2013, Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (LODR) Regulations, 2015, and the Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s Ankit Consultancy Private Limited to enable the Company to send all communications electronically.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic form, the nomination form may be filed with the respective depository participant.
16. Members may also note that the Annual Report for FY 2016-17 is also available for downloading on Company's website [www.pacetronix.com](http://www.pacetronix.com).
17. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
18. 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 / RTA-Ankit Consultancy Private Limited
19. 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.
20. The route map showing directions to reach the venue of the Twenty-Ninth AGM is annexed.
21. Voting through electronic means
  - (i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means. 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 rights 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 Board of Directors has appointed Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS 39488) as the Scrutinizer to scrutinize the voting at the meeting and to conduct remote e-voting process in a fair and transparent manner.
- (v) The instructions for shareholders voting electronically are as under:
- The voting period begins on Friday, 22nd September, 2017 (9.00 am) to, Sunday, 24th September, 2017 (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 Monday, 18th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders/Members
  - 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:

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

- 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. Monday, 18th September 2017, may obtain the login ID and password by sending a request to Ankit Consultancy Private Limited at [rtaindore@gmail.com](mailto:rtaindore@gmail.com)
- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the SHREE PACETRONIX LIMITED on which you choose to vote.
- 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 changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (vi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (vii) Note for Non – Individual Shareholders and Custodians**
- a. 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.
  - b. 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).
  - c. 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.
  - d. 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.
  - e. 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.
- (viii) 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).
- (ix) 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. Monday, 18th September 2017.
- (x) 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.
- (xi) 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.
- (xii) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pacetrnix.com](http://www.pacetrnix.com) and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited.

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

##### **Item No. 04**

Mr. Vikas Gokhale is serving in capacity of whole Time Director of the Company and his tenure shall be expired on 29th January, 2018 upon completion of 3 years of his appointment as Whole time Director.

He is Having 16 years experience in Management of Industries Undertaking. Mr. Vikas Gokhale is having very rich experience in industries and is acquainted with thorough knowledge of business. His experience, commitment and capabilities are playing a crucial role in the growth of the Company.

Thus the Board of Directors feel that there is a need for a continuation of suitable plans and program and therefore, it is imminent that he will be continuing in the capacity of Whole Time Director.

Thus upon the recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on 11th August, 2017 has re-appointed him for a further period of 3 years commencing from 30th January, 2018 to 29th January, 2021. Mr. Vikas Gokhale is the Whole Time Director of the Company & re-appointed for the period of three years, however to comply with the provisions of Section 152 of the Companies Act 2013, he will be liable to retire by rotation.

The Board considered that the terms and conditions, the salary and the perquisites as given in the Item No. 4 of the notice is commensurate with their higher responsibilities, status and image of the Company.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the re-appointment of Mr. Vikas Gokhale as Whole-Time Director are now being placed before the Members for their approval.

The Board recommends to pass Ordinary resolution as set out in Item No. 4 of the notice. Mr. Vikas Gokhale may be deemed as concerned or interested in the resolutions. Except that none of the other Directors nor Key Managerial Personnel is, in any way, concerned or interested in the Resolutions. Mr. Vikas Gokhale is not holding any Equity shares of the total paid up capital of the Company.

#### DETAILS OF THE DIRECTORS SEEKING REAPPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of Director	Mr. Vikas Gokhale
Date of Birth	09.06.1975
Date of Appointment	30.01.2012
Expertise / Experience in specific functional areas	Having 16 years experience in Management of Industries Undertaking.
Qualification	M.Tech
No. & % of Equity Shares held	Nil
List of outside Company directorship held	Shree Coratomic Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Nil
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	Nil

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

#### I. General Information:

##### (i) Nature of Industry:

The Company is, inter alia, in the business of selling & manufacturing of different range of quality Implantable Cardiac Pacemakers.

##### (ii) Date or expected date of commencement of commercial production:

The Company was incorporated on January 11th, 1988 and started manufacturing of Pacemakers in the year 1988.

##### (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

##### (iv) Financial performance (Standalone & Consolidated) based on given indicators – as per Audited Financial Results for the year ended 31st March, 2017:

Particulars	Rs. in Lakhs	
	Standalone	Consolidated
Gross Turnover & Other Income	689.45	699.74
Net profit as per Statement of Profit & Loss (After Tax)	(29.02)	(32.33)
Computation of Net Profit in accordance with section 198 of the Companies Act, 2013	(29.02)	(32.33)
Net Worth	510.96	495.98

##### (v) Foreign investments or collaborators, if any:

However the company is having NRI & Overseas Body Corporate shareholding of an amount of 658517 shares i.e. 18.30 %.

#### II. Information about the appointee:

(i) **Background details:** Refer Explanatory Statement of Item No. 4



(ii) **Past remuneration during the financial year ended 31st March, 2017:** Rs.9.66 lakhs

(iii) **Recognition or awards:** Nil

(iv) **Job Profile and his suitability:**

Mr. Vikas Gokhale joined the Board on 30th January 2012 as Whole-time Director of the Company. He is Having 16 years experience in Management of Industries Undertaking. Mr. Vikas Gokhale is having very rich experience in industries and is acquainted with thorough knowledge of business. His experience, commitment and capabilities are playing a crucial role in the growth of the Company. The Company has witnessed intrinsic growth under his leadership. Taking into consideration his qualifications and expertise in relevant fields he is best suitable for the responsibilities assigned to the said designation.

(v) **Remuneration proposed:**

Scale of Salary: Salary of 80,500/- PM which shall be subject to upward revision of 10% per annum.

Perquisites and Commission: As stated in Resolution No. 4. It is proposed to authorize the Board (which term shall be deemed to include any duly authorized Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the basic salary payable to Shri Vikas Gokhale, within the above mentioned scale of salary.

(vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Vikas Gokhale, the responsibilities shouldered by him and the industry benchmarks, the remuneration propose to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(vii) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. **Other Information:**

(i) **Reasons of loss or inadequate profits:**

During the Financial Year Company has registered a net loss of 29.02 lakhs during the year ended 31st, March, 2017 as the health supply industry witnessed a slow growth rate due to certain government policies and control measures, also regulatory and compliance issues are getting more demanding which resulted in to the weak financial performance of the Company.

(ii) **Steps taken or proposed to be taken for improvement and Expected increase in Productivity and profits in measurable terms:**

The Company with an aim of improvement of the Company, increased productivity & profits for the Company working hard towards the same, hoping that government addresses major issues like pricing & healthcare policies soon. Your Company, its directors & its management are committed to widen its reach with both international and Indian companies. Your Company is geared for the future and also implementing its management skills and strategies for the better organic and inorganic growth of the company in a pattern which would result in minimizing the cost & expenses and yet producing exemplary quality & reliable products.

IV. **Disclosures:**

The information and Disclosures of the remuneration package of the Executive Director have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration paid/payable to Executive Chairman and Managing Director (Whole time Directors) for the year ended 31st March, 2017".

Mr. Vikas Gokhale satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. Brief resume of Shri Vikas Gokhale, nature of his expertise, name of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships among Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 besides above, are also provided in the Corporate Governance Report forming part of the Annual Report Save and except Shri Vikas Gokhale, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

**Item No. 05**

The Board of Director of the Company in their meeting held on 23rd December, 2002 had forfeited 74200 Equity shares of the Company from the shareholders who had not paid the allotment money. Before making forfeiture of above mentioned shares, Company have complied with requirements of applicable provision of Companies Act, 1956 and Articles of Association, including issue of final reminder cum forfeiture notice dated 31.08.2002 to the defaulting shareholders.

Thereafter, Board of Directors of the Company in their meeting held on 25th September, 2007 had re-issued 74,200 forfeited equity shares of Rs 10/- each to Mr. Atul Kumar Sethi, one of the promoters of the Company to make them fully paid, at a price of Rs 22 /-per equity shares arrived as per the prevailing market price on that date as per the price determined under the provisions as prescribed under the Chapter VII of SEBI (Issue of Capital & Disclosures Requirements) Regulations, 2009. Thereafter, the decision of board to re-issue 74,200 forfeited equity shares was

also considered and approved by member in Annual General Meeting (AGM) of the Company held on 17th November, 2007.

Thereafter, Company had submitted application for listing approval for above re-issued 74200 forfeited equity shares on 26th November, 2007 as per the requirements for listing of above shares but still the permission is pending from BSE Limited.

Now, as per the specific requirement of BSE for listing the above shares, there was a difference in calculation of issued price in terms of preferential issue pricing norms and as per provision of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000, the price arrived is Rs. 37/- instead of Rs. 22/-, accordingly the difference price of Rs.15/- per share to be collected from the same allottee.

Accordingly the Company is again required to take approval of members to call remaining amount of Rs.15/- per share to get the 74200 forfeited equity shares listed, therefore your Board recommends the above resolution as Special Resolution.

Mr. Atul Kumar Sethi, Managing Director of the company is interested or concerned in the resolution to the extent of his shareholding and Ms. Amita Sethi, Whole Time Director is also interested in the resolution being the relative of Mr. Atul Kumar Sethi. Except them none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution as set out at Item No. 5 of the Notice.

#### Item No. 06

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or residence address or by such electronic or other mode as may be prescribed. Further, proviso to subsection (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which shareholder shall pay such fees in advance as may be determined by the company in its Annual General Meeting. Accordingly, the Board of Directors in their meeting held on 11th August, 2017 has proposed that a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

The Board recommends the Ordinary Resolution at Item No. 6, for approval of the members. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested financially or otherwise in the Ordinary Resolution set out at Item No. 6 of the Notice.

**PLACE:** Pithampur

**DATE:** 11.08.2017

Registered Office:

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

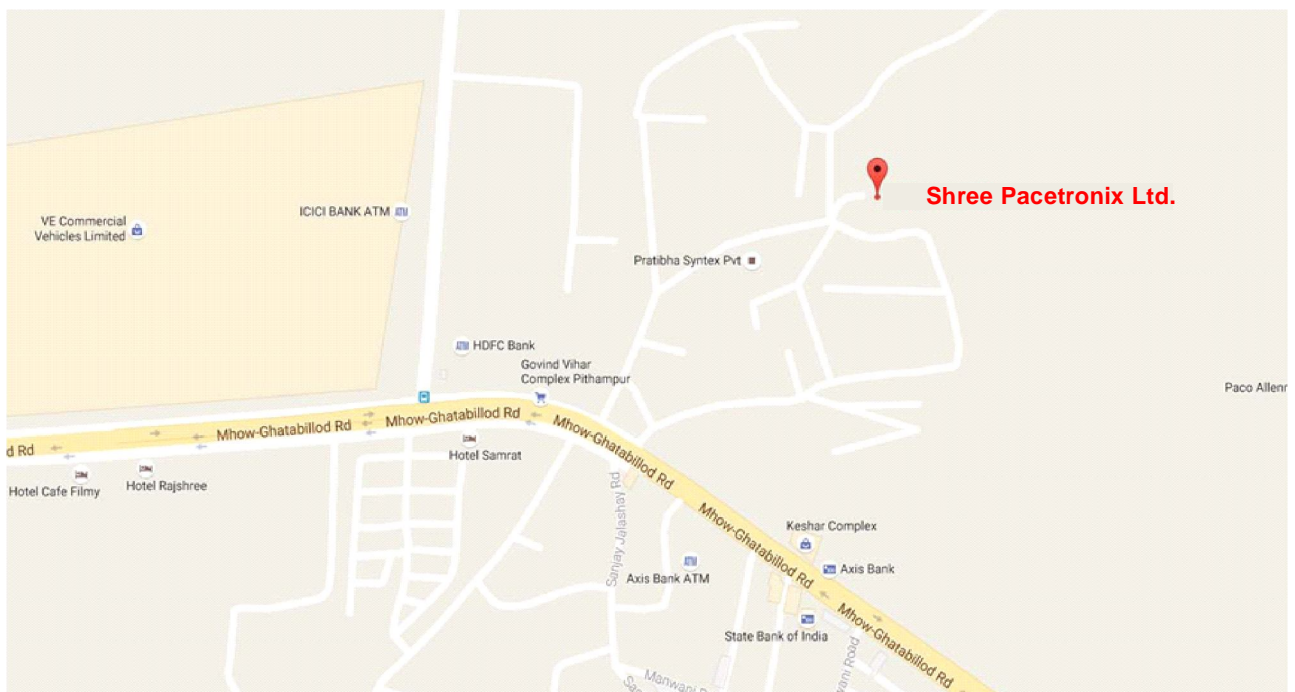
By order of the Board of Directors

**SHREE PACETRONIX LIMITED**

**Priya Singh**

Company Secretary

#### Route Map for the Venue of AGM



## BOARD S' REPORT

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

Your Directors have pleasure in presenting their 29th Annual Report on the business and operation of the Company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31st March, 2017.

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

**a. FINANCIAL RESULTS HIGHLIGHTS AND SUMMARY**

The performance Highlights and Summarized Financial Results of the Company are given below:

(Rs. in lacs)

Particulars	Standalone		Consolidated	
	Year ended 31st March 2017	Year ended 31st March 2016	Year ended 31st March 2017	Year ended 31st March 2016
Total Income	689.42	741.25	699.71	745.83
Total Expenditure	729.48	734.98	744.51	750.62
Profit/Loss before tax	(40.06)	6.27	(44.80)	(4.80)
Provision for Tax				
Current Tax	2.07	11.42	2.07	11.42
Deferred Tax	(13.10)	(4.25)	(14.41)	(7.67)
Profit/Loss after tax	(29.02)	(0.90)	(32.46)	(8.55)
Amount available for appropriation				
Appropriations:				
(a) Transferred to Statutory Reserve	-	-	-	-
(b) Proposed Dividend on Equity Shares	-	-	-	-
(c) Tax on Proposed Dividend	-	-	-	-
Surplus Carried to Balance Sheet				
Paid up Equity Share Capital	359.94	359.94	359.94	359.94
Earnings per share on standalone basis of the Company	7.39	7.39	7.39	7.39
Earnings per share on consolidated basis of the Company	7.39	7.39	7.39	7.39

The Company's has incurred a loss of Rs. 29.03 Lacs as compared to loss of Rs. 0.90 Lacs in previous Financial Year.

**b. OPERATIONS AND FUTURE OUTLOOK**

During the year under review the Company has recorded total revenue of Rs. 689.42 Lacs against the total revenue of Rs. 741.25 Lacs in the Previous Financial Year. The Company's Profit/Loss before tax of Rs. (40.06) Lacs as compared to Profit/Loss before tax of Rs. 6.27 Lacs in previous Financial Year.

At the other hand the profit of the company has been affected due to higher overhead Cost, manufacturing and tax expenses, the bottom line of the Company remained negative and the Company has incurred losses. Whereas the net loss incurred by the Company is Rs. 29.02 Lacs as compared to Rs. 0.90 Lacs in previous Financial Year.

The Company is augmenting its focus in the Indian as well as foreign market also, The Company is focusing on improving the quality of revenues and earnings through a number of initiatives continuously taken in the researches and developments activities simultaneously concentrating in the direction of fulfilling responsibility towards the country, humanity and the society, to motivate and orient the employment towards our main objective that is to serve the society at our best. In the year ahead, the Company aims to maintain its focus to further streamline its operations to obtain cost-efficiencies. Company's mission is to provide affordable life saving devices to the world.

In the last few years, the global medical devices and equipments industry has witnessed certain challenges such as uncertain regulatory environment, volatility in emerging markets, and pricing pressure across the globe. The Company will remain focused on its agenda of superior revenue growth, cost consciousness and improving the overall margin profile of the Company. Growth is expected in the industry with more use of advanced technology in coming future which would result in cost efficiency and judicious use of assets for generating better outputs. Your Directors are working hard to reduce the operational 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.

Defence Research and Development Organisation has approached to our subsidiary Company Shree Coratomic Limited to manufacture Cochlear Implants. After approximately five years of laborious research and development Shree Coratomic Limited in the process to launch this new product i.e. Cochlear Implants.

**c. CHANGE IN NATURE OF BUSINESS**

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

**d. CHANGES IN SHARE CAPITAL**

During the Financial Year 2016-17 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2017 is 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.

**e. 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.

**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 to which financial statements relate and date of the report.

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

Your Company has one subsidiary Shree Coratomic Limited. Financials to the Subsidiary are disclosed in the Consolidated Financial Statements, which forms part of this Annual Report. A statement containing salient features of the Financial Statements of the Subsidiaries are annexed to this Report pursuant to Section 129(3) of the Companies Act, 2013 and the rules made there under in the prescribed form, AOC-1 and hence not repeated here for sake of brevity. The Company does not have any joint venture or associate Company.

In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing inter alia the audited standalone and consolidated financial statements, has been placed on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com). Further, audited financial statements together with related information, Policy for determining material subsidiaries and other reports of the subsidiary company have also been placed on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com).

In terms of Section 136 of the Companies Act, 2013 ('the Act'), financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company shall provide a copy of the annual accounts of its subsidiary companies to the members of the Company on their request. The annual accounts of its subsidiary companies will also be kept open for inspection at the registered office of the Company during business hours.

**7. Consolidated Financial Statements**

In accordance with the Companies Act, 2013 and other applicable accounting standards on consolidated financial statement, your directors provide the Audited Consolidated Financial statements in the Annual Report.

**8. 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, 2017 forms part of this report as **Annexure I**.

**9. Number of Meetings of the Board, its Committees & AGM**

During the year under review the Board has met 6 (six) times viz. May 30, 2016; August 10, 2016; August 29, 2016; November 14, 2016; February 10, 2017 and March 31, 2017. The details of meetings of the Board and committees, the attendance of Directors are provided in the Corporate Governance Report. Further Annual General Meeting of the Company for financial year was held on 30th September, 2016.

**10. Directors' Responsibility Statement**

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

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

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

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

#### 12. Declaration by Independent Directors

##### a. 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 Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the declaration(s) of Independent Directors, the Board of Directors recorded its opinion that all Independent Directors are independent of the Management and have fulfilled the conditions as specified in the Companies Act, 2013 and the Rules made thereunder.

##### b. Meetings of Independent Directors

During the year under review, a separate meeting of Independent Directors was held on March 31, 2017, The Meeting was conducted in an informal manner in the absence of Chairman the Whole Time Director, the Non-Executive Non-Independent Directors and the Chief Financial Officer, 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 Directors and Non-Executive Directors.
- evaluation of the quality, content and timelines of flow of information between the management and the Board of Directors that is necessary for the Board of Directors to effectively and necessarily perform its duties.

All the Independent Directors were present at the said Meeting.

##### c. Familiarization Programme

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

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

With a view to familiarize the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI (LORD) Regulations, 2015, the familiarization programme has been posted on the website of the Company under the web link – [http://www.pacetrnix.com/wp-content/uploads/2015/07/familiarisation\\_programme\\_for\\_independent\\_directors.pdf](http://www.pacetrnix.com/wp-content/uploads/2015/07/familiarisation_programme_for_independent_directors.pdf)

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

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

#### 14. Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee has approved and adopted a Remuneration Policy for selection and appointment of Directors, Senior Management personnel and their

remuneration. The Remuneration Policy of the Company forms part of this report as Annexure II.

## 15. Auditors

### a. STATUTORY AUDITOR

Pursuant to the provisions of section 139 of the Act and the rules framed there under at the Annual General Meeting held on 30th September 2016, Ajay Sharma & Company, Chartered Accountants (ICAI Firm Registration No. 013306C) 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 2021.

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

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

### b. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Ms. Shradha Jain, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31st, 2017 is annexed herewith marked as Annexure III to this Report.

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

The Board in its meeting held on 11.08.2017 has appointed Ms. Shradha Jain, Practicing Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2017-18.

### c. COST RECORD AND COST AUDIT

Your company does not fall 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.

## 16. Particulars of loans, guarantees or investments

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

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

In accordance with the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder, the transactions entered into with related parties are in the ordinary course of business and on an arm's length pricing basis, the details of which are included in the notes forming part of the financial statements. There are no material contracts or arrangements or transactions during the year. Accordingly, information in Form AOC-2 is not annexed.

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 [http://www.pacetronix.com/wp-content/uploads/2016/02/Policy\\_for\\_Determination-of\\_Materiality.pdf](http://www.pacetronix.com/wp-content/uploads/2016/02/Policy_for_Determination-of_Materiality.pdf)

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

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

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.

## 19. Risk Management

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action.

## 20. 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.

#### 21. Performance Evaluation of the Board-

Pursuant to the provisions of section 134 of Companies Act 2013 and Regulation 25(4) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually including Independent Directors. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

#### 22. Directors and Key Managerial Personnel

Mr. Vikas Gokhale has been re-appointed as Whole Time Director of the Company, he joined the Board with effect from 30th January 2012 as Whole-time Director of the Company and his tenure shall be expired on 29th January, 2018 upon completion of 3 years of his appointment. Therefore upon the recommendation of the Nomination and Remuneration Committee Mr. Vikas Gokhale has been re-appointed for a further period of three years commencing from 30th January, 2018 to 29th January, 2021 pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of companies act 2013.

In addition to the details of Directors hereinabove given, it is brought to the notice of shareholders that Mr. Swapnil Modi who was designated as Chief Financial officer (CFO) of the Company has resigned from the post due to some other pre occupations and other personal engagements therefore Mr. Ashok Atulkar has been appointed as Chief Financial officer (CFO) in place of Mr. Swapnil Modi with effect from 30th May, 2016 and Ms. Priya Singh has been appointed as Company Secretary of the company to be designated as one of the Key Managerial Personnel of the Company with effect from 31st March, 2017.

#### Disqualifications of Directors

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

#### 23. 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.

#### 24. 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.

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

#### 26. Audit Committee

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

#### 27. Vigil Mechanism/Whistle Blower Policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors and employees of the Company to report unethical behaviour, 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 website [www.pacetronix.com](http://www.pacetronix.com) and circulated to all the Directors and employees.

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

The directors are not receiving any commission from the holding/subsidiary Company. However, the Company has one subsidiary Shree Coratomic Limited.

**29. Disclosure of ratio of remuneration of Directors and Key Managerial Personnel**

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

**30. Particulars of Employees**

During the year, there was no employee drawing remuneration in excess of Rs. 1,02,00,000/- p.a. or Rs. 8,50,000/- p.m. Accordingly, information required to be given pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has not been given here.

Further the particulars of top ten employees in terms of remuneration drawn required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended is enclosed as **Annexure VI** and forms the part of this Board Report.

**31. CEO/CFO Certification**

As required under Regulation 17(8) of the Listing Regulations, the Whole Time Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2017.

**32. Code for prohibition of Insider Trading Practices:**

Your Company has adopted the code as per SEBI (Prohibition of Insider Trading) Regulations, 2015, which has been effective from 15th May, 2015. The Details of the said code is available on website of the Company i.e www.pacetronix.com.

**33. 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.

**34. Disclosure regarding issue of Employee Stock Options**

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

**35. 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.

**36. Corporate Governance Report**

Your Company and its Board has been complying with Corporate Governance Practices as set out in a separate report in pursuance of requirement of para C of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as **Annexure VII**. Auditor's certificate confirming compliance of the Corporate Governance as stipulated under the said Regulations is also attached to this Report.

**37. Management Discussion and Analysis Statement**

Management Discussion and Analysis Statement in pursuance of requirement of para B of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are attached to this report as **Annexure – VIII**.

**38. Listing at Stock Exchange**

The Equity shares of the Company are listed with BSE Limited, Mumbai and the Listing Fee for the year 2017-18 has been duly paid.

**39. Insurance**

The Company's assets are adequately insured against the loss of fire and other risks, as consider necessary by the Management from time to time. The Company has also taken insurance cover for any claims/losses arising out of its core business of security broking.

**40. Business Responsibility Report:**

The Business Responsibility Reporting as required by Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ending March 31, 2017.



**41. 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 advantages offered by the Depository System, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

**42. Environment and Safety**

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

**43. Industrial Relations**

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

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

**44. 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 Complaints Committee has been set up to redress complaints received regarding sexual harassment.

It may be noted that during the year 2016-17, no grievance / complaint from any women employee was reported.

**45. Acknowledgements**

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

By order of the Board of Directors of  
**SHREE PACETRONIX LIMITED**

PLACE: Pithampur

DATE: 11.08.2017

**Registered office**

Plot No. 15, Sector No. II  
Industrial Area

Pithampur, 464775

**Atul Kumar Sethi**

Managing Director  
(DIN - 00245685)

**Amita Sethi**

Whole time Director  
(DIN - 00245722)

Internal Complaints 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:

## Annexure I

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

## I REGISTRATION &amp; OTHER DETAILS:-

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

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

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

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

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

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-04-2016]				No. of Shares held at the end of the year [As on 31-03-2017]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoters</b>									
<b>1 Indian</b>									
a) Individual/ HUF	845038	0	845038	23.48	845038	0	845038	23.48	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>0.00</b>
<b>2 Foreign</b>									
a) NRIs -	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
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-04-2016]				No. of Shares held at the end of the year [As on 31-03-2017]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
1 Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2 Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	536543	200	536743	14.91	526388	200	526588	14.63	-0.28
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	368724	588681	957405	26.60	382479	585081	967560	26.88	0.28
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	507849	55970	563819	15.66	507849	55970	563819	15.66	0.00
c) Others (specify)									
NRI	10020	686375	696395	19.35	10020	686375	696395	19.35	0.00
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1423136</b>	<b>1331226</b>	<b>2754362</b>	<b>76.52</b>	<b>1426736</b>	<b>1327626</b>	<b>2754362</b>	<b>76.52</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1423136</b>	<b>1331226</b>	<b>2754362</b>	<b>76.52</b>	<b>1426736</b>	<b>1327626</b>	<b>2754362</b>	<b>76.52</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>2268174</b>	<b>1331226</b>	<b>3599400</b>	<b>100.00</b>	<b>2271774</b>	<b>1327626</b>	<b>3599400</b>	<b>100</b>	<b>0.00</b>

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

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2016)			Shareholding at the end of the year (As on 31-03-2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Atul Kumar Sethi	705406	19.60	-	705406	19.60	-	0.00
2	Amita Sethi	102605	2.85	-	102605	2.85	-	0.00
3	Ashish Sethi	37027	1.03	-	37027	1.03	-	0.00
	<b>Total</b>	<b>845038</b>	<b>23.48</b>	<b>-</b>	<b>845038</b>	<b>23.48</b>	<b>-</b>	<b>0.00</b>

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

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2016)		Shareholding at the end of the year (As on 31-03-2017)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	<b>Atul Kumar Sethi</b>				
	At the beginning of the year	705406	19.60	--	---
	Change during the year	-	-	-	-
	At the end of the Year	-	-	705406	19.60
2	<b>Amita Sethi</b>				
	At the beginning of the year	102605	2.85	-	-
	Change during the year	-	-	-	-
	At the end of the Year	-	-	102605	2.85
3	<b>Ashish Sethi</b>				
	At the beginning of the year	37027	1.03	-	-
	Change during the year	-	-	-	-
	At the end of the Year	-	-	37027	1.03

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

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding					Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	Mathew Samuel Kalarickal	357795	9.94	--	NIL	--	357795	9.94
2	Bio-Pace Technology	295432	8.21	--	NIL	--	295432	8.21
3	Thomas B. Pinto	177300	4.93	--	NIL	--	177300	4.93
4	Kalpita Agencies Pvt. Ltd.	175661	4.88	--		Shares Transferred	71105	1.8
5	Virgo Impex LLP	175000	4.86	--	175000	Shares Transferred	0	0
6	Epcot Lifestyles Pvt. Ltd.	159327	4.43	--	NIL	--	159327	4.43
7	Manmohini Kaur	105558	2.93	--	NIL	--	105558	2.93
8	S.K. Sekaran	99385	2.76	--	NIL	--	99385	2.76
9	Ajit Modi	86400	2.40	--	NIL	--	86400	2.40
10	Anil Hebbar K	65237	1.81	--	NIL	--	65237	1.81

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

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding					Cumulative Shareholding during the year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16/ end of the year (31-03-17))	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
<b>A. DIRECTORS</b>								
1.	Atul Kumar Sethi - Managing Director	705406	19.60	1-Apr-16	NIL	-	-	-
		-	-	31-Mar-17	NIL	-	705406	19.60
2.	Amita Sethi- Whole Time Director	102605	2.85	1-Apr-16	NIL	-	-	-
		-	-	31-Mar-17	NIL	-	102605	2.85
3.	Vikas Gokhale Whole Time Director	0	0	1-Apr-16	NIL	-	-	-
		-	-	31-Mar-17	NIL	-	0	0
4.	Sushil Kumar Patni- Independent Director	0	0	1-Apr-16	NIL	-	-	-
		-	-	31-Mar-17	NIL	-	0	0
5.	Pravin Kumar Badjatya- Independent Director	0	0	1-Apr-16	NIL	-	-	-
		-	-	31-Mar-17	NIL	-	0	0
6.	Anil Rathi- Independent Director	0	0	1-Apr-16	NIL	-	-	-
		-	-	31-Mar-17	NIL	-	0	0

## B. KEY MANAGERIAL PERSONNEL

1	Ashok Atulkar -CFO	0	0	1-Apr-2016	NIL	-	-	-
				31-Mar-2017	NIL	-	0	0

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

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>					
i)	Principal Amount	18878325	-	-	18878325
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	18878325			18878325
<b>Change in Indebtedness during the financial year</b>					
	* Addition	7472904	-	-	7472904
	* Reduction	-	-	-	-
	<b>Net Change (The amount of Secured loan was increase and decreased with in the overdraft limits)</b>	7472904			7472904
<b>Indebtedness at the end of the financial year (31.03.2016)</b>					
i)	Principal Amount	26351229	-	-	26351229
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	26351229			26351229

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Atul Kumar Sethi	Mr. Amita Sethi	Mr. Vikas Gokhale	
1	Gross salary	2400000	600000	966000	4024896
	(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	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	2400000	600000	966000	4024896
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013			

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

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

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

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Swapnil Modi, (CFO) (01.04.2016-21.05.2016)	Mr. Ashok Atulkar (30.05.2016-31.03.2017)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,83,000	1,83,000
	(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	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	-	1,83,000	1,83,000

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

There were no Penalties/Punishment/Compounding of Offences for the year ended 31st March 2017.

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	-	-	-	-	-

**PLACE:** Pithampur

**DATE:** 11.08.2017

By order of the Board of Directors of  
**SHREE PACETRONIX LIMITED**

**Registered office**

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

**Atul Kumar Sethi**

Managing Director  
(DIN - 00245685)

**Amita Sethi**

Whole time Director  
(DIN - 00245722)

## ANNEXURE – II

### NOMINATION AND REMUNERATION POLICY

#### 1. Introduction

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 Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") 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 performance of Independent Directors and the Board of directors;
- iii. Devising a policy on Board diversity;
- iv. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel and shall carry out evaluation of every director's performance.
- vi. Whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

#### Definitions:

- "Board":-Board means Board of Directors of the Company.
- "Director":-Directors means Directors of the Company.
- "Policy or This Policy" means, "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961."
- "Committee":-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company":- Company means Shree Pacetronix Limited.
- "Key Managerial Personnel":- Key Managerial Personnel (KMP) means-
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed under the Companies Act, 2013
- "Independent Director" means a non-executive director, other than a nominee director of the listed entity:
  - a. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
  - c. apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, 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 listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;



- e. who, neither himself, nor whose relative(s) —
- (i) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity 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 listed entity or its holding, subsidiary or associate company;
    - b. any legal or a consulting firm that has or had any transaction with the listed entity, 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 listed entity; or
  - (iv) is a chief executive or director, by whatever name called, of any non profit organisation that receives twenty-five percent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the listed entity;
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- f. who is not 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

#### **General Appointment Criteria:**

The Committee shall consider the following criteria and qualifications as follows.

- i. The Committee shall identify, ascertain and 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 Regulations 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 Regulations or any other enactment for the time being in force.
- iv. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

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

The Nomination and Remuneration Committee shall satisfy itself with regards to the Independent nature of the Directors so as to enable the Board to discharge its function and duties effectively. Independent Director shall meet all criteria specified under the provisions of the Companies Act, 2013 and rules made there under and Listing Regulations. The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head ‘Definitions’.

#### **Term / Tenure:**

The Term / Tenure of the Directors shall be governed as per provisions of the Listing Regulations, Companies Act, 2013 and rules made thereunder as amended from time to time.

**Performance Evaluation Criteria**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals.

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or any other applicable Act, rules and regulations or any other reasonable grounds, 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.

**Policy Review:-**

This policy is framed based on the provision of the Companies Act, 2013 and rules thereunder and requirement of the SEBI (LODR) Regulations.

Remuneration: Policy For Remuneration To Directors/Key Managerial Personnel/Senior Management Personnel:

**1. Non-Executive Directors**

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

The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

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

The remuneration 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. The remuneration of Executive Director including the Chairman, Managing Director, and KMP shall be recommended and approved by the Nomination and Remuneration Committee to the Board.**

The remuneration shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**2. The Company shall pay sitting fees to Executive Directors for attending the Board Meetings.**

The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

**3. The Company shall pay remuneration to its Company Secretary and Chief Financial Officer as per the terms of the appointment as approved by the Nomination and Remuneration Committee and they shall also be entitled for the annual increments based on their performance, evaluated by the Nomination and Remuneration Committee and Board on annual basis.****4. The Remuneration to other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks. Remuneration to other employees shall 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.****Amendments**

Any change in the Policy shall, on recommendation of Nominations and Remuneration Committee, shall 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.

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[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 Dist.-Dhar (MP)-454775

I have conducted the Secretarial Audit of the compliances 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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Shree Pacetronix Limited** ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act and the rules made thereunder);
- (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, 2015, in so far as they are made applicable from time to time;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ; which is not applicable to the Company during the Audit Period
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2015 which is not applicable to the Company during the Audit Period
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is not applicable to the Company during the Audit Period.
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and which is not applicable to the Company during the Audit Period;
  - 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) The Securities and Exchange Board of India (Listing obligations And Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, which made applicable from 1st July 2015.

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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 meetings, 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.

**SHRADDHA JAIN**  
**PRACTICING COMPANY SECRETARY**

ACS No. : 39488

CP No. : 14717

Place: Indore

Date: 11.08.2017

#### 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, 2017 is given here below and forms part of the Board's Report.

**A. Conservation of Energy:**

- i. The steps taken or impact on conservation of energy
  - Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
  - Up-gradation of machineries and installation of new machineries based on fuel or power efficiency.
  - Monitoring the maximum demand and power load factor on daily basis.
  - Replacement of inefficient machines with energy efficient machines.
- ii. The steps taken by the Company for utilizing alternate sources of energy: No alternate source used in the financial year 2016-17.
- 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 not made any investment in Research and Development.

However; the Company has incurred expenses on research and Development every year. These expenses were included in respective head of expenses. Raw-material consumed includes consumption of research and development materials Rs. 674354/- (Previous year Rs. 224492) and salary and wages includes salary paid for research and development staff Rs. 2086812/- (Previous year Rs. 1505496).

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

Particulars	31.03.2017	31.03.2016
1. Foreign Exchange earned:		
- FOB Value of Exports	69,51,517	50,55,472
- Job Work	-	-
2. Foreign Exchange used: CIF Value of import of		
- Raw Materials	16,45,680	1,88,86,282
- Capital Goods	29,37,979	-
3. Foreign Travels:		
- Directors & Others	3,61,840	91,010
- Technical services	7,56,620	1,13,099

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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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	Designation	Remuneration of Director/KMP for financial year 2016-17 (In Rs.)	% increase in Remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Atul Kumar Sethi	Managing Director	2400000	-8.75%	15.22
2.	Mrs. Amita Sethi	Whole-Time Director	600000	-8.75%	3.80
3.	Mr. Vikas Gokhale	Whole-Time Director	966000	-0.97%	6.13
4.	Mr. Pravin Kumar Badjatya	Independent Director	--	--	--
5.	Mr. Sushil Kumar Patni	Independent Director	--	--	--
6.	Mr. Anil Rathi	Independent Director	--	--	--
7.	Mr. Ashok Atulkar	CFO	183000	--	--

**Note**

- None of the Independent Directors of the Company received any remuneration during the financial year 2016-17
- Mr. Ashok Atulkar was appointed on 30.05.2016. Therefore no percentage Increase/decrease in Remuneration in the Financial Year 2016-17 is seen.
- (ii) The percentage increase in the median remuneration of employees in the financial year- **16.56%**
- (iii) The number of permanent employees on the rolls of Company as on March 31, 2017- **45**.
- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 5.61% whereas there is decrease in the managerial remuneration for the same financial year was (6.98%). There are no exceptional circumstances for increase/decrease in the managerial remuneration.
- (v) The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.
- (vi) It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**PLACE:** Pithampur  
**DATE:** 11.08.2017

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

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

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

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

Annexure – VI

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) & 5 (3) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AND FORMING PART OF THE BOARDS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017.

S. No.	Name	Designation	Remuneration received During the Financial Year (In Rs.)	Qualification and Experience	Date of Joining	Age
1	Mr. Atul Kumar Sethi	Managing Director	2400000	MBA (Marketing), 21 years of experience	11.01.1988	55 Years
2	Mr. Vikas Gokhale	Whole Time Director	966000	M tech, 16 years	30.01.2012	42 years
3	Mrs. Amita Sethi	Whole Time Director	600000	MA, 15 years of experience	01.12.2010	51 years
4	Mr. Mayur Dilip Bhusari	General Manager, production	658896	Graduate, 11 years	01.01.2006	43 years
5	Mr. Murtaza Faizee	Regional Sales Manager	470496	Graduate, 22 years	01.01.1994	42 years
6	Mr. Subhashish Basu	Regional Marketing Manager	414000	Graduate, 1 years	01.01.2015	50 years
7	Mr. Rupak Kumar Das	Regional Marketing Manager	426000	Graduate, 13 years	01.04.2003	55 years
8	Mr. Indranil Gupta	Regional Marketing Manager	426000	Graduate, 12 years	01.03.2004	48 years
9	Mr. Sumit Chakrabarti	Regional Marketing Manager	398496	Graduate, 19 years	01.12.1997	60 years
10	Ms. Pinaki Roy	Regional Marketing Manager	190800	Graduate, 7 years	01.05.2009	47 years
11	Mr. Rabin Chakraborty	Sales Manager	360000	Graduate, 13 years	01.06.2003	52 years
12	Mr. Rajesh Bhauraoji Wath	Temp Pacemaker QC Manager	321816	Graduate, 17 years	01.07.1999	47 years
13	Mr. Pradip Tyagi	Assistant Quality control	575600	Graduate, 9 years	19.03.2007	31 years
14	Mr. Vijay Kumar Soni	Lead QC Manager	300000	Graduate, 20 years	01.09.1996	42 years
15	Mr. Kaushik Biswas	Sales Manager	120000	Graduate, 5 years	01.04.2011	41 years

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

PLACE: Pithampur  
DATE: 11.08.2017

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

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

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

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

**Annexure – VII****CORPORATE GOVERNANCE REPORT 2016-17  
(Forming part of the Board Report of Shree Pacetronix Limited)**

The Directors present the Report on compliance with the Corporate Governance provisions as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulation") for the year ended March 31, 2017.

Effective Corporate Governance practices constitute the foundations on which successful commercial enterprises are built to last. Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investors trust and your Company always seeks to ensure that its performance and goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate.

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

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder values and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

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 phases of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. Your company shall continue to follow the same with a desire for further development on continuous basis. The Board of Directors, by considering itself as trustee of its shareholders, aims at maximizing shareholders wealth and protecting the interest of all stakeholders.

In India, Corporate Governance Standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**2. MD/ CFO Certification**

The Mr. Atul Kumar Sethi, the Managing Director and Mr. Ashok Atulkar, the CFO of the Company gives annual certification on financial reporting and internal controls and matters to be reported to the Audit Committee for the year ended 31.03.2017 in terms of Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**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. It has ideal combination of Executive and Non Executive Directors and is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act, 2013

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

The Board has an optimum combination of Executive & Non Executive Director. The present composition is three directors in the whole time employment out of them one is the women director as per the requirements of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations' of the company and three independent directors The composition of the Board and the Independent Directors of the Company meets all the criteria mandated by SEBI Listing Regulations and the Companies Act, 2013.

**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 not more than One Hundred and Twenty days. The Board met Six times during the year and the names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, and also the number of Directorships and Committee positions held by them in public under review and the dates on which the said meetings were held are as follows:

**30th May, 2016, 10 Aug 2016, 29th August, 2016, 14th Nov 2016, 10 Feb 2017, 31 Mar 2017.**

c) **Board Category, Directors Attendance and their other directorships and Committee position as on March 31, 2017**

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

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

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

e) **Independent Director**

Pursuant to the Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, accordingly a separate meeting of the Independent Directors of the Company was held on March 31, 2017 without the attendance of non-independent directors and members of management 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 Directors.
- 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.

Attendance of Independent Directors in independent Directors meeting

Directors	Meetings held during the Year	Meetings Attended
Mr. Sushil Kumar Patni (DIN No. 00245754)	1	1
Mr. Pravin Kumar Badjatya (DIN No. 00245849)	1	1
Mr. Anil Rathi (DIN No. 00492926)	1	1

4. **Code of Conduct**

Regulation 17(5) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 requires listed companies to lay down a Code of Conduct for its directors and senior management, which shall suitably incorporate the duties of Independent directors as laid down in the Companies Act, 2013 and the same is available on Company's website at [www.pacetrnix.com](http://www.pacetrnix.com). Apart from receiving remuneration that they are entitled to under the Act as Non-Executive Directors and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates.

5. **Role of Independent Directors**

Independent Directors play an important role in deliberations at the Board Meetings and bring to the Company their wide experience in the field of Business and Industry. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives.

The Audit Committee, the Nomination & Remuneration Committee and the Stakeholders Relationship Committee have a majority of independent directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and as approved by the board from time to time.

6. **Formal Letter of Appointment to Independent Directors**

The Company issues a formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. A copy of the letter detailing the terms and conditions of appointment of the independent directors is placed on the Company's website at [www.pacetrnix.com](http://www.pacetrnix.com).



All Independent Directors of the Company, at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet with the criteria of independence as provided under Section 149 of the Companies Act, 2013.

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

#### **7. Performance Evaluation of the Board**

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

The criteria for performance evaluation are as under:

##### **For Chairman & Executive Directors:**

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

##### **For Non-Executive Directors (Including Independent Directors):**

The criteria for evaluation of Non-Executive Directors (Including Independent Directors), inter alia, includes attendance at the meetings, study of agenda and active participation, contribution to discussion on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his/her experience, adherence to the code of conduct.

##### **For Board as a whole:**

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

#### **8. Familiarization Programme**

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

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

The familiarization program for Independent Directors forms part of the Board process. The Independent Directors have been updated on the developments in the Company and the Company's performance. Pursuant to Regulation 46 the details required are available on the website of your Company [www.pacetronix.com](http://www.pacetronix.com).

A familiarization programme was conducted for non-executive directors on areas such as the core functions of the Company, overview of the industry, financials and the performance of the Company. An overview of the familiarization programme is placed on the Company's website [www.pacetronix.com](http://www.pacetronix.com).

#### **9. Code of Conduct for prohibition of Insider Trading**

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015. Pursuant thereto the Details of the said code is available on website of the Company i.e [www.pacetronix.com](http://www.pacetronix.com).

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

#### **10. Committees of the Board**

Board has three Committees, viz.

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

The above said Committees consists of a majority of Independent Directors. The quorum for the Meetings is either two directors or one third of the members of the Committee, whichever is higher.

**A. Audit Committee**

As a measure of good Corporate Governance and to provide assistance to the Board of directors and to meet the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 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 Regulation 18 of the SEBI (LODR) Regulations, 2015 and section 177 of the Companies Act 2013, the Audit committee review report of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly financial results before submission to the Board for approval.

**Composition and Attendance of Members at the Meetings of the Audit Committee held during 2016-2017**

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 2016-17	
		Held	Attended
Mr. Sushil Patni	Chairman Non-Executive, Independent Director	4	4
Mr. Praveen Badjatya	Member Non-Executive, Independent Director	4	4
Mr. Anil Rathi	Member Non-Executive, Independent Director.	4	4

**Meetings**

During the financial year ended 31st March, 2017, Four Audit Committee Meetings were held and the Dates on which the said meetings were held are as follows:

**30th May, 2016, 10 August 2016, 29th August, 2016, 14th November 2016, 10 February 2017, 31 March 2017.**

**B. Nomination and Remuneration Committee**

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board.

**Terms of reference**

The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Regulation 19 of SEBI (LODR) Regulations, 2015 and section 178 of the Companies Act, 2013. The role of Nomination and Remuneration Committee is as follows:

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;
- Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.

The broad terms of reference includes recommending a policy relating to remuneration and terms of employment 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 in senior management.

**Composition and Attendance of Members at the Meetings of the Nomination & Remuneration Committee held during 2016-2017.**

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 Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meetings during the year 2016-17	
		Held	Attended
Mr. Sushil Patni	Chairman Non-Executive, Independent Director	3	3
Mr. Praveen Badjatya	Member Non-Executive, Independent Director	3	3
Mr. Anil Rathi	Member Non-Executive, Independent Director.	3	3

**Meetings**

During the financial year ended 31st March, 2017, three meetings of Nomination and Remuneration Committee were held and the Dates on which the said meetings were held are:

**May 30, 2016; August 10, 2016, March 31, 2017**

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 placed on the Company's website.

**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, 2017 to the Executive Directors for Financial Year 2016-17 are as follows

Name of Directors	Designation	Remuneration up to 31st March, 2017
Mr. Atul Kumar Sethi	Managing Director	2,00,000/- pm
Mrs. Amita Sethi	Whole Time Director	50,000/- pm
Mr. Vikas Gokhale	Whole Time Director	80,500/- pm

**Payment to Non-Executive Directors**

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

**C. Stakeholders Relationship Committee**

In line with the Section 178(5) of Companies Act, 2013 / Regulation 20 of SEBI (LODR) Regulations, 2015, board has set up a Stakeholders Relationship Committee to consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends. The Stakeholders Relationship Committee comprises of Mr. Sushil Patni (Chairman), Mr. Atul Kumar Sethi and Mr. Anil Rathi. The committee looks into redressal of shareholders, investors, depositors and customer complaints.

The Stakeholders Relationship Committee met Four times during the year on

**May 30, 2016; August 10, 2016; November 14, 2016; February 10, 2017.**

The details of attendance at the committee meetings are as under:

Name	Category	Number of Meetings during the year 2016-17	
		Held	Attended
Mr. Sushil Patni	Chairman Non-Executive, Independent Director	4	4
Mr. Atul Kumar Sethi	Member Non-Executive, Independent Director	4	4
Mr. Anil Rathi	Member Non-Executive, Independent Director	4	4

As of March 31, 2017, No complaints/grievances have been received within the stipulated period.

#### 11. Compliance Officer

Name, designation and address of Compliance Officer:-

Ms. Priya Singh, Company Secretary and

Compliance officer (except specifically provided otherwise for specific purposes)

Plot No 15, Sector-II, Industrial Area,

Pithampur Dist. Dhar (M.P.) - 454775

Email: pacetronix@hotmail.com

Telephone and Fax: 07292-411105

#### 12. Risk Management

The Company is not required to constitute Risk Management Committee. However the company has a well defined risk management framework in place. The risk management framework at various levels across the Company.

#### 13. General Meeting

Details of the General Meetings held during last three years:

AGM/EGM	Date	Venue	Time
AGM-2014	29th Sept. 2014	Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar (MP) 454775	10.00 am
AGM-2015	30th Sept. 2015	Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar (MP) 454775	10.00 am
AGM-2016	30th Sept. 2016	Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar (MP) 454775	11.00 am

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

AGM/EGM	Date	Special Business Transacted
AGM	29 <sup>th</sup> Sept. 2014	<ul style="list-style-type: none"> <li>■ Re-Appointment of Shri Vikas Gokhale (DIN- 05193393) as Whole Time Director of the Company.</li> <li>■ Appointment of Mr. Anil Rathi (DIN- 00492926) as an Independent Director.</li> <li>■ Appointment of Mr. Sushil Kumar Patni (DIN- 00245754) as an Independent Director.</li> <li>■ Appointment of Mr. Praveen Kumar Badjatya (DIN- 00245849) as an Independent Director.</li> <li>■ Increase in the borrowing powers of the Company.</li> <li>■ Authority for Creation of charge on movable/immovable properties.</li> </ul>
AGM	30 <sup>th</sup> Sept. 2015	NIL
AGM	30 <sup>th</sup> Sept. 2016	<p>Re-appointment of Mr. Atul Kumar Sethi as the Managing Director of Company .</p> <p>Re-appointment of Mrs. Amita Sethi as the Whole Time Director of the Company.</p> <p>Adoption of new set of Articles of Association of the Company.</p> <p>To make investments under Section 186 of the Companies Act, 2013.</p>

**Postal Ballot:**

For the year ended March 31, 2017 there has been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

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

Mr. Vikas Gokhale (DIN- 05193393) has been re-appointed as Whole-Time Director of the Company for a period of three years commencing from 30th January, 2018 to 29th January, 2021, pursuant to the provisions of sections 196, 197, 203 and applicable provisions if any, of companies act 2013. Further Mr. Vikas Gokhale (DIN- 05193393), Whole-Time Director of the Company, retires by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting.

**15. Disclosures:****i. Related Party Transactions**

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

**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 or any regulatory body, on any matter related to capital markets, during the last three years.

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

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations. The same is posted on the website of the Company at [www.pacetrnoix.com](http://www.pacetrnoix.com). No personnel have been denied access to the Audit Committee to lodge their grievances.

**iv. Compliance with mandatory requirements**

The Company has complied with the mandatory requirements as stipulated under Regulation 34(3) and 53 of SEBI (LODR) Regulations, 2015. The Company has submitted the Quarterly Compliance Status Report to the Stock Exchanges within the prescribed time limit. The Company has not adopted any of the non-mandatory requirements of SEBI (LODR) Regulations, 2015.

**v. Disclosure of Accounting Treatment**

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

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

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

**vii. Anti Sexual Harassment Policy**

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 Complaint Committee has been set up to redress complaints received regarding sexual harassment. During the year no complaints of Sexual Harassment were received.

**16. 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 SEBI (LODR) Regulations, 2015 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in newspapers viz. "Free Press", (English) and "Chhotha Sansar" (Hindi).
- iii. The Company's website contains a section "Investor Corner" which displays details / information of interest to various stakeholders.
- iv. Quarterly results are displayed on the website of company- [www.pacetrnoix.com](http://www.pacetrnoix.com)

**17. General Shareholders Information**

- i. Annual General Meeting
- ii. Date, Time & Venue of Annual General Meeting – on Monday, the 25th day of September, 2017 at 11.30 AM at the Registered Office of the Company.
- iii. Financial Year : The financial year covers the period from 1st April, to 31st March

**iv. Financial Calendar****(Tentative)**

Results for the Quarter ending 30th June, 2017 : First Fortnight of August, 2017  
 Results for the Quarter ending 30th Sept, 2017 : First Fortnight of November, 2017  
 Results for the Quarter ending 31st Dec, 2017 : First Fortnight of February, 2017  
 Results for the Quarter ending 31st Mar, 2018 : Last week of May 2018

**v. Book Closure**

Tuesday, 19th September, 2017 to, Monday, 25th September, 2017 (both days inclusive) for the purpose of list of members.

**vi. Dividend**

Not declared for the financial year 2016-2017.

**vii. Listing**

The equity shares of the company are listed at The Bombay Stock Exchange Limited at 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 (M.H.), and the Listing Fees has been paid for 2017-18.

**viii. Stock Code**

The Company has Scrip Code: - BSE 527005

**ix. STOCK MARKET DATA:**

High/Low/Close during each month in the last Financial Year

Table 1: Monthly highs and lows Quotes at the BSE 2016-17

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2017	9.84	9.84	9.84
Feb 2017	10.35	9.03	10.35
Jan 2017	9.50	9.50	9.50
Dec 2016	-	-	-
Nov 2016	10.50	9.98	10.00
Oct 2016	-	-	-
Sep 2016	13.75	11.00	11.00
Aug 2016	14.25	13.75	13.75
Jul 2016	16.00	13.75	13.75
Jun 2016	16.35	16.35	16.35
May 2016	16.35	16.35	16.35
Apr 2016	-	-	-

**x. Registrars and Share Transfer Agents**

Ankit Consultancy Private Ltd.  
 (SEBI REG. No. INR 000000767)  
 60, Electronics Complex,  
 Pardesipura, Indore (M.P.) -452010  
 Phone- 0731-2551745-46  
 Fax- 0731-4065798  
 E Mail ID: rtaindore@gmail.com, mail@ankitonline.com  
 Web Address: - www.ankitonline.com

**xi. Share Transfer System:**

All the transfer received are processed by the Registrar and transfer Agent Share Transfers are registered and returned/Demat confirmed within 30 days from the date of receipt, if the documents are in order in all respects. The share transfer committee of the Board of Directors of the Company meets frequently to approve the transfer of shares.

**xii. ISIN No.**

The Company has got the ISIN- INE847D01010 (Both CDSL and NSDL)

## xiii. Distribution of shareholding as on 31st March, 2017

SHARE HOLDING OF NOMINAL VALUE OF Rs.	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT IN RS.	PERCENTAGE OF TOTAL
1 -- 5000	5492	96.69	7128710	19.81
5001 -- 10000	91	1.60	718880	2.00
10001 -- 20000	41	0.72	616480	1.71
20001 -- 30000	12	0.21	292490	0.81
30001 -- 40000	8	0.14	295400	0.82
40001 -- 50000	5	0.09	223120	0.62
50001 -- 100000	10	0.18	730370	2.03
100001 -- *****	21	0.37	25988550	72.20
<b>TOTAL</b>	<b>5680</b>	<b>100.00</b>	<b>35994000</b>	<b>100.00</b>

## Dematerialization of shares as on 31.03.2017:

CATEGORY	NO. OF SHARES	PERCENTAGE (%)
Total number of Demated shares with NSDL	14,81,693	41.16 %
Total number of Demated shares with CDSL	7,15,881	19.89 %
<b>TOTAL</b>	<b>21,97,574</b>	<b>61.05 %</b>

## i. Shareholding pattern as on 31st March, 2017

Sr. No.	Particulars	No. of Shares	% of holding
(A)	Promoter & Promoter Group	8,45,038	23.48
(B)	Private Corporate Bodies	5,26,588	14.63
(C)	Indian Public	15,31,379	42.54
(D)	NRIs/OCBs	6,96,395	19.35
	<b>TOTAL</b>	<b>35,99,400</b>	<b>100.00</b>

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

iii. **Registered Office and 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

**DECLARATION**

This is to confirm that for the year 2016-17, all the Directors of the Company have affirmed compliance with the Code of Conduct applicable to all the Directors and Senior Management of the Company. The Code of Conduct is displayed on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com).

**ATUL KUMAR SETHI**  
Managing Director  
(DIN- 00245685)

## MD / CFO CERTIFICATION

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

Dear Members' of the Board,

We have reviewed Financial Statements (Standalone & Consolidated) and the Cash Flow Statement for the year ended 31 March, 2017 and that to the best of our knowledge and belief:

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

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

We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to Financial Reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.

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

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

For SHREE PACETRONIX LIMITED

Place: Pithampur  
Date: 30.05.2017

**ASHOK ATULKAR**  
Chief Financial officer

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



## ANNEXURE-VIII MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRY STRUCTURES AND DEVELOPMENTS:

With rising income levels, penetration of healthcare services and expansion of healthcare insurance schemes, the Indian health supplier market is expected to grow in double digits. However, an uncertain regulatory environment and regulatory interventions can have a considerable impact on the growth prospects. The cardiovascular devices industry is growing at a significant rate globally, due to increasing incidences of heart diseases and other cardiovascular disorders. Technological advancements and growing awareness have boosted growth of the cardiovascular devices market. Our Company is engaged in manufacturing and marketing of different types of Pacemakers. There has been growing demand of the products manufactured by your Company, enhancing access, improving affordability and driving innovation are some of the common themes our Company is working on.

### OPPORTUNITIES:

The global market for pacemakers is growing at a significant rate due to increase in the incidences of cardiovascular disorders and increasing awareness. In addition, government initiatives and technological advancements are the major factors driving the global market for pacemakers. With the help of inclination of NGO partners, government agencies, individuals, visionaries, domain experts, and other foundations towards societal welfare would result in prompt growth of the health suppliers industry. Our Company is also continuously working in the research and developments section in the direction of making the products affordable for the whole of the society acknowledging its responsibility towards the societal welfare. The evolution of the sector calls for involvement from all stakeholders and the use of innovation to bridge intent and execution will lead to higher opportunities in the healthcare supplies sector in Indian and as well as global market.

### THREATS:

As a highly competitive, high-margin industry that produces largely nondiscretionary products, the Pacemaker Manufacturing industry has experienced downstream demand growth, as an aging population, the expansion of healthcare coverage and technological advances bolstered market growth. However, pacemaker manufacturers have faced intense price pressures from group purchasing organizations (GPOs), which have leveraged their large scale to negotiate lower pacemaker prices for major purchasers like hospitals. The healthcare supplies industry continues to face significant challenges both in India and internationally with the volume and complexity of change having greatly intensified the implication of risk. Regulatory risks, which are an inherent threat in the industry, are compounded by evolving regulations, new legislation and increased enforcement. To provide affordable healthcare, The Company will fully cooperate and partner with the Government on efforts focused towards ensuring access and increasing affordability of medicines while maintaining strong commitment on quality.

### SEGMENT- WISE OR PRODUCT WISE PERFORMANCE:

The Company is engaged in pacemakers manufacturing only and there is no separate repeatable segments. Company has generated revenue of Rs. 689.41 lacs during the financial year 2016-2017. However, the company is striving to improve its operational functionality and spread its geographical operational area.

### OUTLOOK:

Currently, Majority of the players operating in the Indian market are foreign companies with only a handful of Indian companies managing to make an impression in the market. Stiff competition exists among these players. Our Company is looking forward to cover major Indian market in coming years. Our Company will remain focused on its agenda of superior revenue growth, cost consciousness and improving the overall margin profile of the Company simultaneously focussing on the welfare of the society being its most concerned responsibility. The Company expects to taper down capital investments and continue its focus on operational efficiencies to drive strong cash flows.

### RISK AND CONCERNS:

Risks associated with pacemaker system implant include, but are not limited to, infection at the surgical site and/or sensitivity to the device material, failure to the delivery therapy when it is needed or receiving extra therapy when it is not needed. After receiving an implantable pacemaker system, you will have limitations with respect to magnetic and electromagnetic fields, electric or gas powered appliances and tools with which you are not allowed to be in contact. Working in the vicinity of equipment which produces very strong electro-magnetic fields such as resistance welders or power sources which produce pulsing magnetic fields, particularly where the pulsing rate matches or is close to the pulse rate of the pacemaker user, can be a hazardous situation. If exposed to pulsing magnetic fields without considering the technical risks due to unawareness it can cause cardiac arrest and collapse. Our Company is continuously working on introducing modern technology in our pacemakers, which are likely to be programmed in a manner that will reset to a default condition.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company has proper internal control system which provides adequate safeguards and effective monitoring of the transactions. The Company has comprehensive internal financial controls system for all major processes including

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

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

During the year 2016-17, the financial performance of company has decreased as compared to previous year due to stiff competition. The Company's management is making regular enterprise for improving operating efficiencies and increase its performance. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial liabilities comprise

**HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

Our Company shares good industrial relations which improves the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. Complete unity of thought and action is placed in organization. It has increased the place of workers in the society.

During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations. As on 31st March, 2017, there were 45 employees on the roll of the Company.

PLACE: PITHAMPUR  
DATE: 11.08.2017

BY ORDER OF THE BOARD OF DIRECTORS OF  
**SHREE PACETRONIX LIMITED**

**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 ("The Company") for the financial year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The Compliance of the Corporate Governance applicable to the company is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us,

We certify that the company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**For Ajay Sharma & Company**  
Chartered Accountants

Place: Pithampur  
Dated: 30.05.2017

**Ajay Sharma**  
Proprietor  
M. No. 404968

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBER OF  
SHREE PACETRONIX LIMITED

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of **Shree Pacetronix Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor 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 31st March, 2017, and its profit and loss and its cash flows for the year ended on that date.

**Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

Note No. 24 (b) to the financial statements indicate that the company's policy relating to retirement benefits which are accounted for on payment basis.

Note No. 24 (c) to the financial statements which describe the Non Provision of Interest on Secured Loan from Dena Bank.

Our opinion is not qualified / modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

8. As required by the Companies ( Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matter specified in the paragraph 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 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in " Annexure B " ; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - (i) The Company has disclosed the Financial impact of pending litigations on its financial position in its financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided requisite disclosures in its financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of account maintained by the company. – Refer Note 36 to the financial statements

**For Ajay Sharma & Company**  
Chartered Accountants  
Firm's Registration No. 013306C

**CA Ajay Sharma**  
Proprietor  
Membership number 404968

Place: Pithampur  
Date : 30th May 2017

### Annexure A to Independent Auditors' Report

The Annexure to in paragraph 8 of the Independent Auditors' Report of even date to the members of Shree Pacetronix Limited on the financial statements as of and for the year ended March 31, 2017. We report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year and no material discrepancies has been noticed.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the provisions of Clause (iii) [(a), (b), (c)] of the said Order are not applicable to the Company.
- iv. The company has not given any loans, made investments and given guarantees covered under section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of Clause (iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public.
- vi. The Central government has not prescribed the maintenance of cost records under sub-section (l) of section 148 of the Companies Act in respect of manufacturing activities of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, service tax, customs duty, excise duty, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no material dues of income-tax, sales-tax, service-tax, customs duty, and excise duty which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues in respect of Income Tax have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute pending are given below:-
- | Sr. No. | Nature of Dues | Forum where Dispute pending | Amount (₹ in Lacs) | Period (Assessment Year) |
|---------|----------------|-----------------------------|--------------------|--------------------------|
| 1       | Income Tax     | Tribunal                    | ₹ 1.35             | 2003-04                  |
| 2       | Income Tax     | Tribunal                    | ₹ 1.45             | 2004-05                  |
- viii. In our opinion and according to the information given to us, the Company has not defaulted in repayment of loans taken from banks or financial institutions during the year.
- ix. The Company did not raise any money by way of Public issue during the financial year. The term loans taken by the company during the year were applied for the purpose for which the loans were obtained;
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees, has been noticed or reported during the year in the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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

**For Ajay Sharma & Company**  
Chartered Accountants  
Firm's Registration No. 013306C

**CA Ajay Sharma**  
Proprietor  
Membership number 404968

Place: Pithampur  
Date : 30th May 2017

**Annexure B to Auditor's Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of Shree Pacetronix Limited on the financial statements as of and for the year ended March 31, 2017 . We report that :

We have audited the internal financial controls over financial reporting of Shree Pacetronix Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

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

**For Ajay Sharma & Company**

Chartered Accountants

Firm's Registration No. 013306C

Place: Pithampur

Date : 30th May 2017

**CA Ajay Sharma**

Proprietor

Membership number 404968



## BALANCE SHEET AS AT MARCH 31ST, 2017

(In INR `)

Particulars	Note	As at March 31st , 2017	As at March 31st , 2016
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	2	35,994,000	35,994,000
Reserves and surplus	3	15,099,064	18,001,630
<b>Non-current liabilities</b>			
Long-term borrowings	4	5,148,218	2,454,108
Other long term liabilities	5	250,000	250,000
<b>Current liabilities</b>			
Short-term borrowings	6	19,337,121	15,787,608
Trade payables	7	1,925,798	2,276,916
Other current liabilities	8	10,439,714	8,135,942
Short term provisions	9	2,106,032	3,099,723
<b>Total</b>		<b>90,299,947</b>	<b>85,999,927</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10.1	26,267,281	22,255,027
Intangible assets	10.2	857,428	1,713,509
Non-current Investments	11	8,000,000	8,000,000
Long-term loans and advances	12	1,388,278	1,396,318
Deferred tax assets (net)		1,631,700	321,040
<b>Current assets</b>			
Inventories	13	25,716,237	25,285,069
Trade receivables	14	19,150,066	15,973,451
Cash and bank balances	15	1,185,060	1,908,815
Short-term loans and advances	16	5,706,469	8,869,876
Other current assets	17	397,428	276,822
<b>Total</b>		<b>90,299,947</b>	<b>5,999,927</b>

As per our report of even date

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968

Place: Pithampur  
Date : 30th May 2017

For and on behalf of Board of Directors

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Priya Singh**  
Company Secretary

## Statement of Profit and Loss Year Ended March 31st , 2017

(In INR `)

Particulars	Note	Year Ended March 31st , 2017	Year Ended March 31st , 2016
<b>REVENUE</b>			
Revenue from operations (net)	18	68,399,565	73,966,048
Other income	19	542,363	158,788
<b>Total revenue</b>		<b>68,941,928</b>	<b>74,124,836</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	21,153,171	24,865,514
Changes in inventories of finished goods and work-in-progress and stock-in-trade	21	4,598,700	776,435
Employee benefits expense	22	17,177,188	17,209,052
Finance costs	23	3,797,509	3,503,941
Depreciation and amortisation expense		5,706,599	6,862,918
Other expenses	24	20,514,817	20,279,918
<b>Total expenses</b>		<b>72,947,983</b>	<b>73,497,778</b>
<b>Profit/(Loss) before tax</b>		<b>(4,006,055)</b>	<b>627,058</b>
<b>Tax expense</b>			
Current tax		207,171	1,142,527
Deferred tax		(1,310,660)	(425,460)
<b>Profit/(Loss) for the year</b>		<b>(2,902,566)</b>	<b>(90,009)</b>
Earnings per equity share			
Basic & Diluted (in Rs.)		(0.81)	(0.03)

As per our report of even date

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968

For and on behalf of Board of Directors

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

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

**Ashok Atulkar**  
Chief Financial Officer

**Priya Singh**  
Company Secretary

Place: Pithampur  
Date : 30th May 2017

## CASH FLOW STATEMENT AS AT MARCH 31ST, 2017

(In INR `)

Particulars	As at March 31st, 2017	As at March 31st, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	(4,006,055)	627,058
Adjusted for:		
Depreciation and Amortisation Expense	5,706,599	6,862,918
Interest Income	141,897	105,788
Interest paid	3,797,509	3,503,941
Profit on sale of fixed assets	(78,966)	-
	<u>9,567,039</u>	<u>10,472,647</u>
Operating Profit before Working Capital Changes	5,560,984	11,099,705
Adjusted for:		
Trade & other Receivables	(121,486)	(6,340,534)
Inventories	(431,168)	6,249,673
Trade & Other Payables	1,962,463	2,251,504
	<u>1,409,808</u>	<u>2,160,643</u>
Cash Generated from Operations	6,970,792	13,260,348
Taxes Paid	(1,214,959)	(26,192)
	<u>5,755,833</u>	<u>13,234,156</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	700,000	-
Purchase of Fixed Assets	(9,483,805)	(1,950,832)
Interest Income	(141,897)	(105,788)
	<u>(8,925,702)</u>	<u>(2,056,620)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	2,694,110	17,483
Proceeds from Short Term Borrowings (Net)	3,549,513	(7,652,871)
Interest Paid	(3,797,509)	(3,503,941)
	<u>2,446,114</u>	<u>(11,139,329)</u>
NET CASH (USED IN) FINANCING ACTIVITIES	<u>2,446,114</u>	<u>(11,139,329)</u>
Net Increase/Decrease (-) in Cash and Cash Equivalents	(723,755)	38,207
Opening Balance of Cash and Cash Equivalents	1,908,815	1,870,608
Closing Balance of Cash and Cash Equivalents	<u>1,185,060</u>	<u>1,908,815</u>

As per our report of even date attached.

For and on behalf of Board of Directors

**For Ajay Sharma & Company**  
Firm Registration Number: 013306C  
Chartered Accountants

**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968  
Place: Pithampur  
Date : 30th May 2017

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Priya Singh**  
Company Secretary

**Notes to the financial statements as of and for the year ended March 31, 2017****1. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of financial statements**

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

**b) Use of estimates**

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

**c) Revenue recognition**

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

**d) Property, Plant and Equipment**

Property, plant and Equipment 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 upto the date the asset is ready for its intended use. The Company depreciates property, plant and Equipment using the Written Down Value method over the useful lives of assets as prescribed in schedule II to Companies Act, 2013.

**e) Intangible Assets**

Intangible Assets are stated at acquisition costs, net of accumulated depreciation and accumulated impairment losses. Intangible assets are amortized on a Straight Line Basis over their respective individual estimated useful lives of ten years.

**f) Impairment of assets**

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

**g) Foreign currency transaction**

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

**h) Borrowing cost**

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

**i) Inventories**

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

- |  |    |  |
|--|----|--|
| i) Raw Materials, Stores & Spares,<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 |

**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 118.66 Lacs (Previous Year Rs 16.52 Lacs) remain outstanding which is computed based on Projected Unit Credit Method and company has made provision of gratuity Rs. 2.14 Lakhs during the Financial Year (Previous Year Rs 2.30 Lacs)

**k) Taxation**

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

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

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

**m) Earnings per share**

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

**n) Investments**

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

For and on behalf of the Board of Directors

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

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

**Ashok Atulkar**  
Chief Financial Officer

**Priya Singh**  
Company Secretary

**Notes to the financial statements as of and for the year ended March 31, 2017**

(In INR ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
<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, 2017		As at March 31, 2016	
	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, 2017	Percentage holding As at March 31, 2016
Mr. Atul Kumar Sethi 705406 (Previous year: 705406) shares of Rs.10 each	19.60%	19.60%
Bio Pace Technology 295432 (Previous year: 295432) shares of Rs.10 each	8.21%	8.21%
Mathew Samul Kalarickal 326639 (Previous year: 326639) shares of Rs.10 each	9.07%	9.07%

	March 31, 2017	March 31, 2016
<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	11,828,522	11,918,531
Profit / (Loss) for the year	(2,902,566)	(90,009)
	8,925,956	11,828,522
Balance at the end of the year	8,925,956	11,828,522
	<b>15,099,064</b>	<b>18,001,630</b>
<b>4 Long-term Borrowings</b>		
<b>Term loan - Secured</b>		
HDFC Bank Ltd. (Car)	1,653,787	2,213,749
HDFC Bank Ltd. (Car)	74,431	240,359
Bank of India	3,420,000	-
	<b>5,148,218</b>	<b>2,454,108</b>

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

1 Term loans from HDFC Bank is secured by hypothecation of cars and vehicle.

2 Term loan from Bank of India is secured by hypothecation of Plant and Machineries. Further secured by Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar and personal guarantee of Managing Director Mr. Atul Kumar Sethi and Whole Time Director Mrs. Amita Sethi.

**Maturity profile of long term borrowings****Secured loans**

2017-18	-	725,890
2018-19	1,858,052	718,052
2019-20	1,879,778	739,778
2020-21	1,410,388	270,388
	<b>5,148,218</b>	<b>2,454,108</b>

**Notes to the financial statements as of and for the year ended March 31, 2017**

(In INR ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
<b>5 Other long-term liabilities</b>		
Deposit from customers	250,000	250,000
	<b>250,000</b>	<b>250,000</b>
<b>6 Short-term borrowings</b>		
<b>A. WORKING CAPITAL LOAN</b>		
Bank of india (Secured)	19,337,121	15,787,608
	<b>19,337,121</b>	<b>15,787,608</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	1,177,399	1,319,780
Others	748,399	957,136
	<b>1,925,798</b>	<b>2,276,916</b>
<b>8 Other current liabilities</b>		
Current maturities of long term debts*	1,865,890	636,609
Advance from customers	2,277,016	1,152,817
Statutory dues (including provident fund and tax deducted at source)	913,565	1,128,889
Other payables	5,383,243	5,217,627
	<b>10,439,714</b>	<b>8,135,942</b>
<b>Nature of security:</b>		
* It includes loan from Bank of India and HDFC Bank Ltd to be repayable within a period of one year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.		
<b>9 Short-term provisions</b>		
Provision for Employee benefits	2,106,032	2,096,223
Provision for income tax	-	1,003,500
	<b>2,106,032</b>	<b>3,099,723</b>

**10.1 Property, Plant and Equipment**

(In INR ` )

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to March 31, 2016	For the Year	Deductions/ Adjustments	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	193,350	193,350
Buildings	14,903,735	-	-	14,903,735	9,098,079	556,612	-	9,654,691	5,249,044	5,805,656
Plant & Machineries	49,923,686	495,264	-	50,418,950	38,007,500	2,706,746	-	40,714,246	9,704,704	11,916,186
Furniture & Fixture	3,428,108	-	-	3,428,108	3,205,300	19,989	-	3,225,289	202,819	222,808
Vehicles	8,137,726	1,096,380	1,390,250	7,843,856	4,366,958	1,447,819	769,216	5,045,561	2,798,295	3,770,768
Office Equipments	1,543,388	129,399	-	1,672,787	1,413,295	85,207	-	1,498,502	174,285	130,093
Computers	3,458,626	24,000	-	3,482,626	3,242,460	34,144	-	3,276,604	206,022	216,166
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-
Capital Work in Progress (Cochlear Division)	-	7,738,762	-	7,738,762	-	-	-	-	7,738,762	-
<b>Total</b>	<b>81,834,011</b>	<b>9,483,805</b>	<b>1,390,250</b>	<b>89,927,566</b>	<b>59,578,984</b>	<b>4,850,517</b>	<b>769,216</b>	<b>63,660,285</b>	<b>26,267,281</b>	<b>22,255,027</b>
Previous year	79,883,179	1,950,832	-	81,834,011	53,572,147	6,006,837	-	59,578,984	22,255,027	26,311,032

**10.2 Intangible assets**

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to March 31, 2016	For the Year	Deductions/ Adjustments	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Technology Purchase	8,084,914	-	-	8,084,914	6,705,187	808,491	-	7,513,678	571,236	1,379,727
Software	475,900	-	-	475,900	142,118	47,590	-	189,708	286,192	333,782
<b>Total</b>	<b>8,560,814</b>	<b>-</b>	<b>-</b>	<b>8,560,814</b>	<b>6,847,305</b>	<b>856,081</b>	<b>-</b>	<b>7,703,386</b>	<b>857,428</b>	<b>1,713,509</b>
Previous year	8,560,814	-	-	8,560,814	5,991,224	856,081	-	6,847,305	1,713,509	2,569,590

**Notes to the financial statements as of and for the year ended March 31, 2017** (in ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
<b>11 Non Current Investments</b> (Long Term Investment) In Equity Shares of Subsidiary Company 800000 fully paid up equity shares of ₹ 10/- each of Shree Coratomic Ltd.(Unquoted)	8,000,000 <b>8,000,000</b>	8,000,000 <b>8,000,000</b>
<b>12 Long-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Security and other deposits	1,388,278 <b>1,388,278</b>	1,396,318 <b>1,396,318</b>
<b>13 Inventories</b> Finished goods Stock-in-process Raw materials	6,395,103 6,456,697 12,864,437 <b>25,716,237</b>	8,284,950 9,165,550 7,834,569 <b>25,285,069</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	5,111,862 14,038,205 <b>19,150,066</b>	3,206,013 12,767,438 <b>15,973,451</b>
<b>15 Cash and bank balances</b> <b>Cash and cash equivalents</b> Cash on hand <b>Other bank balances</b> Fixed Deposits with banks	197,127 - 987,933 <b>1,185,060</b>	946,882 - 961,933 <b>1,908,815</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	1,472,767 1,782,545 223,814 2,227,343 <b>5,706,469</b>	6,117,895 1,396,774 219,526 1,135,681 <b>8,869,876</b>
<b>17 Other current assets</b> (Unsecured, considered good unless stated otherwise) Accrued Interest on Fixed Deposit with Banks	397,428 <b>397,428</b>	276,822 <b>276,822</b>
<b>18 Revenue from operations</b> Sale of products (Net of Taxes)	68,399,565 <b>68,399,565</b>	73,966,048 <b>73,966,048</b>
<b>19 Other income</b> Interest received Profit on sale of fixed assets Other Receipts	141,897 78,966 321,500 <b>542,363</b>	105,788 - 53,000 <b>158,788</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	7,834,569 26,183,039 12,864,437 <b>21,153,171</b>	13,307,807 19,392,276 7,834,569 <b>24,865,514</b>
<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 Stock in process	8,284,950 9,165,550 17,450,500	8,561,336 9,665,599 18,226,935



**Notes to the financial statements as of and for the year ended March 31, 2017**

(in ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
<b>Inventory at the end of the year (b)</b>		
Finished goods	6,395,103	8,284,950
Stock in process	6,456,697	9,165,550
	<u>12,851,800</u>	<u>17,450,500</u>
<b>Increase in inventories (a) - (b)</b>	<b>4,598,700</b>	<b>776,435</b>
<b>22 Employee benefits expense</b>		
Salaries and wages	16,034,423	15,623,788
Contribution to provident and other funds	866,335	1,409,531
Staff welfare expenses	276,430	175,733
	<u>17,177,188</u>	<u>17,209,052</u>
<b>23 Finance costs</b>		
Interest on term loan	571,332	267,566
Interest-others	3,119,145	3,110,390
Bank charges	107,032	125,985
	<u>3,797,509</u>	<u>3,503,941</u>
<b>24 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	53,773	17,218
Entry tax	484,332	353,353
Exchange difference (net)	(53,647)	181,279
Freight inward	557,580	910,046
Insurance	33,237	64,435
Job Work & Labour Charges	303,723	714,666
Laboratory Expenses	91,820	103,026
Power, fuel and water	1,238,954	1,175,555
Repairs to Others	99,875	141,166
Repairs to buildings	107,828	212,007
Repairs to plant and equipments	1,037,568	901,246
Fees for Technical Services	1,178,834	212,373
	<u>5,133,877</u>	<u>4,986,370</u>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	20,841	31,691
Packing materials	738,338	508,271
Commission	312,565	422,894
Implantation Charges	1,912,465	1,801,920
Travelling expenses	4,274,780	4,419,252
Freight outward	404,241	360,905
Selling and business promotion expenses	3,221,671	3,837,500
	<u>10,884,901</u>	<u>11,382,433</u>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	120,000	166,000
Conveyance	187,219	143,027
Courier and postage charges	152,715	102,432
Professional charges	2,108,980	1,228,052
Miscellaneous expenses	487,819	862,441
Printing and stationery	159,089	99,596
Rates and taxes	265,284	210,799
Rent	100,400	323,200
Telephone and mobile expenses	211,237	228,025
Vehicle running & Maintenance Expenses	703,296	547,543
R & D Expenses	-	-
	<u>4,496,039</u>	<u>3,911,115</u>
<b>(a)+(b)+(c)</b>	<u><b>20,514,817</b></u>	<u><b>20,279,918</b></u>

**Notes to the financial statements as of and for the year ended March 31, 2017**

(in `)

Particulars	As at March 31st, 2017	As at March 31st, 2016
<b>25 Earnings per share</b>		
Profit after tax (a)	(2,902,566)	(90,009)
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)]	(0.81)	(0.03)
Diluted [(a) / (b)]	(0.81)	(0.03)
<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	20,033,290	12,431,127
	<b>20,033,290</b>	<b>12,431,127</b>
<b>28 Expenditure in foreign currency</b>		
Foreign travel	361,840	91,010
Fees for Technical Services	756,620	113,099
Capital Goods	2,937,979	-
<b>29 Earnings in foreign currency</b>		
Export sales	6,951,517	5,055,472
	<b>6,951,517</b>	<b>5,055,472</b>
<b>30 Payment to auditors</b>		
For statutory audit	90,000	90,000
For tax audit	25,000	15,000
For Other Services	5,000	61,000
<b>31 Details of consumption and purchases</b>		
<b>(a) Details of raw materials consumed</b>	<b>21,153,171</b>	<b>24,865,514</b>
<b>(b) Value of imported and indigeneous materials consumed</b>		
Raw materials:		
Imported	16,456,890	18,886,282
Indigenous	4,696,281	5,979,232

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

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

**B. Secondary segment**

Particulars *	India	Rest of the world	Total
i) Segment revenue	61,448,048 (68,910,576)	6,951,517 (5,055,472)	68,399,565 (73,966,048)
ii) Carrying cost of segment assets	(68,910,576) (85,999,927)	- -	90,299,947 (85,999,927)
iii) Addition to Fixed Assets	9,483,805 (1,950,832)	- -	9,483,805 (1,950,832)

\* 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, the Company's related parties and transactions are disclosed below:

**A. Subsidiary Company**

Shree Coratomic Ltd

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

Atul Kumar Sethi

Managing Director

Amita Sethi

Whole time Director

Vikas Gokhale

Whole time Director

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

Smt Heera Sethi

Mrs. Yamini Gokhale

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

Sethi Resins Pvt Ltd

Details of transactions and closing balances	Year Ended	Year Ended
	March 31st, 2017	March 31st, 2016
<b>Shree Coratomic Ltd</b>		
Sale of Goods	2,707,500	2,961,822
Closing Balance - Receivable	136,491	(740,976)
<b>Aul Kumar Sethi</b>		
Director Remuneration	2,515,200	2,630,400
Closing Balance - Payable	573,212	1,669,070
<b>Mrs. Amita Sethi</b>		
Director Remuneration	631,800	657,600
<b>Vikas Gokhale</b>		
Director Remuneration	968,376	975,504
<b>Mrs. Hira Sethi</b>		
Rent	-	180,000
Mrs. Yamini Gokhale		
Commission	40,111	153,090

**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, 2017	Year Ended March 31st, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,177,399	1,319,780
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 incurred expenses on Research and Development every year. These expenses were included in respective head of expenses. Raw-materials consumed includes consumption of research and development materials Rs. 674354/- ( Previous year Rs. 224492 ) and salary and wages includes salary paid for research and development staff Rs. 2086812/- (Previous year Rs. 1505496)**36** Disclosure on specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other Notes as per the notification are as follows.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	276,000	41,339	317,339
Add: Permitted receipt	-	247,000	247,000
Less: Permitted payments	26,000	237,759	263,759
Less: Amount deposited in banks	250,000	-	250,000
Closing cash in hand as on December 30, 2016	-	50,580	50,580

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

As per our report of even date

For and on behalf of Board of Directors

For **Ajay Sharma & Company**

Firm Registration Number: 013306C

Chartered Accountants

**(CA Ajay Sharma)**

Proprietor

Membership Number: 404968

Place: Pithampur

Date : 30th May 2017

**Atul Kumar Sethi**

Managing Director

DIN-00245685

**Ashok Atulkar**

Chief Financial Officer

**Amita Sethi**

Whole time Director

DIN-00245722

**Priya Singh**

Company Secretary

## Independent Auditors' Report on Consolidated Financial Statements

To the Members of Shree Pacetronix Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Shree Pacetronix Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with relevant rules issued there under. The Board of Directors of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.
  - iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 30 to the standalone financial statements.

**For Ajay Sharma & Company**  
Firm Registration Number: 013306C  
Chartered Accountants

Place: Pithampur  
Date : 30th May 2017

**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968

## Annexure A to Independent Auditors Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of Shree Pacetronix Ltd. on the consolidated financial statements as of and for the year ended March 31, 2017. We report that:

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Shree Pacetronix Limited ("the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

In our opinion, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

(CA Ajay Sharma)

Proprietor

Membership Number: 404968

Place: Pithampur  
Date : 30th May 2017

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31ST, 2017

(In INR `)

Particulars	Note	As at March 31st , 2017	As at March 31st , 2016
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	2	35,994,000	35,994,000
Reserves and surplus	3	13,585,195	16,830,920
Minority Interest		5,726	5,991
<b>Non-current liabilities</b>			
Long-term borrowings	4	5,148,218	2,454,108
Other long term liabilities	5	250,000	250,000
<b>Current liabilities</b>			
Short-term borrowings	6	20,100,755	16,590,181
Trade payables	7	2,112,966	2,276,916
Other current liabilities	8	9,058,325	8,440,693
Short term provisions	9	2,106,032	3,099,723
<b>Total</b>		<b>88,361,217</b>	<b>85,942,532</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10.1	26,308,594	22,300,104
Intangible assets	10.2	1,590,762	3,246,843
Deferred tax assets (net)		2,261,430	820,040
Long-term loans and advances	11	2,066,260	2,096,300
<b>Current assets</b>			
Inventories	12	25,750,585	25,325,069
Trade receivables	13	21,525,474	18,049,562
Cash and bank balances	14	1,201,564	3,397,135
Short-term loans and advances	15	7,259,120	10,430,657
Other current assets	16	397,428	276,822
<b>Total</b>		<b>88,361,217</b>	<b>85,942,532</b>

As per our report of even date

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968

Place: Pithampur  
Date : 30th May 2017

For and on behalf of Board of Directors

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Priya Singh**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

(In INR `)

Particulars	Note	Year Ended March 31st , 2017	Year Ended March 31st , 2016
<b>REVENUE</b>			
Revenue from operations (net)	17	69,429,021	74,424,458
Other income	18	542,363	158,788
<b>Total revenue</b>		<b>69,971,384</b>	<b>74,583,246</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	19	21,153,171	24,865,514
Purchases		99,042	-
Changes in inventories of finished goods and work-in-progress and stock-in-trade	20	4,604,352	774,479
Employee benefits expense	21	17,282,688	17,411,336
Finance costs	22	4,001,469	3,697,026
Depreciation and amortisation expense		6,510,362	7,670,044
Other expenses	23	20,800,509	20,644,458
<b>Total expenses</b>		<b>74,451,593</b>	<b>75,062,857</b>
<b>Profit (Loss) before tax</b>		<b>(4,480,209)</b>	<b>(479,611)</b>
<b>Tax expense</b>			
Current tax		207,171	1,142,527
Deferred tax		(1,441,390)	(767,410)
<b>Profit/(Loss) for the year</b>		<b>(3,245,990)</b>	<b>(854,728)</b>
<b>Minority Interest</b>		<b>265</b>	<b>669</b>
<b>Profit/after adjustment of minority Interest</b>		<b>(3,245,725)</b>	<b>(854,059)</b>
Earnings per equity share			
Basic & Diluted (in Rs.)		(0.90)	(0.24)

As per our report of even date

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968

Place: Pithampur  
Date : 30th May 2017

For and on behalf of Board of Directors

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Priya Singh**  
Company Secretary



**CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31ST, 2017**

(in ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	(4,480,209)	(479,611)
Adjusted for:		
Depreciation and Amortisation Expense	6,510,362	7,670,044
Interest Income	(141,897)	(105,788)
Interest paid	4,001,469	3,697,026
Profit on sale of fixed assets	(78,966)	-
	<u>10,290,968</u>	<u>11,261,282</u>
Operating Profit before Working Capital Changes	5,810,759	10,781,671
Adjusted for:		
Trade & other Receivables	(390,653)	(5,976,160)
Inventories	(425,516)	6,247,717
Trade & Other Payables	463,491	2,513,712
	<u>(352,678)</u>	<u>2,785,269</u>
Cash Generated from Operations	5,458,081	13,566,940
Taxes Paid	(1,214,959)	(26,192)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>4,243,122</u>	<u>13,540,748</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	700,000	-
Purchase of Fixed Assets	(9,483,805)	(1,950,832)
Interest Income	141,897	105,788
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(8,641,908)</u>	<u>(1,845,044)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	2,694,110	17,483
Proceeds from Short Term Borrowings (Net)	3,510,574	(7,725,435)
Interest Paid	(4,001,469)	(3,697,026)
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<u>2,203,215</u>	<u>(11,404,978)</u>
Net Increase / Decrease (-) in Cash and Cash Equivalents	(2,195,571)	290,726
Opening Balance of Cash and Cash Equivalents	3,397,135	3,106,409
Closing Balance of Cash and Cash Equivalents	<u>1,201,564</u>	<u>3,397,135</u>

As per our report of even date

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968

Place: Pithampur  
Date : 30th May 2017

For and on behalf of Board of Directors

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Priya Singh**  
Company Secretary

**Notes to the Consolidated financial statements as of and for the year ended March 31, 2017****1. CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES****a) Principle of consolidation :**

- I. The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements". The consolidated financial statements comprise the financial statements of the parent company and its subsidiary have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profit/loss on intra-group transactions.
- II. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group for like transactions and other event in similar circumstances and presented in the same manner as the company's separate financial statements.
- III. The financial statements of the subsidiary used in the consolidated are drawn up to the same reporting date as that of the company i.e. 31<sup>st</sup> March 2017.
- IV. Minority Interest have been excluded. Minority Interest represent that part of the net loss and net assets of subsidiary that are not, directly or indirectly, owned or controlled by the Company.

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

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

**c) Use of estimates**

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

**d) Revenue recognition**

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

**e. Property, Plant and Equipment**

Property, plant and Equipment 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 upto the date the asset is ready for its intended use. The Company depreciates property, plant and Equipment using the Written Down Value method over the useful lives of assets as prescribed in schedule II to Companies Act, 2013.

**f) Intangible Assets**

Intangible Assets are stated at acquisition costs, net of accumulated depreciation and accumulated impairment losses. Intangible assets are amortized on a Straight Line Basis over their respective individual estimated useful lives of ten years.

**g) Impairment of assets**

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

**h) Foreign currency transaction**

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

**i) Borrowing cost**

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

**j) Inventories**

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

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

**k) Retirement Benefits**

- i) Short-term employees contributions like Provident Fund, Employees State Insurance Scheme are charged off at the undiscounted amount in the year in which the related services are rendered.
- ii) Post employment and other long term employee benefits like gratuity is provided on actuarial valuation at the end of the year and charged to Profit and Loss account. Accordingly, Group Gratuity Scheme from Life Insurance Corporation under which gratuity liability of Rs 18.66 Lacs (Previous Year Rs 16.52 Lacs) remain outstanding which is computed based on Projected Unit Credit Method and company has made provision of gratuity Rs. 2.14 Lakhs during the financial year (Previous Year Rs 2.30 Lacs)

**l) Taxation**

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

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

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

**n) Earnings per share**

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

As per our report of even date

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

**(CA Ajay Sharma)**

Proprietor

Membership Number: 404968

Place: Pithampur

Date : 30th May 2017

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

**Atul Kumar Sethi**

Managing Director  
DIN-00245685

**Ashok Atulkar**  
Chief Financial Officer

**Amita Sethi**

Whole time Director  
DIN-00245722

**Priya Singh**  
Company Secretary

**Notes on Consolidated financial statements as of and for the year ended March 31, 2017**

(In INR ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
<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, 2017		As at March 31, 2016	
	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, 2017	Percentage holding As at March 31, 2016
Mr. Atul Kumar Sethi 705406 (Previous year: 705406) shares of Rs.10 each	19.60%	19.60%
Bio Pace Technology 295432 (Previous year: 295432) shares of Rs.10 each	8.21%	8.21%
Mathew Samul Kalarickal 326639 (Previous year: 326639) shares of Rs.10 each	9.07%	9.07%

3 Reserves and surplus	March 31, 2017	March 31, 2016
	<b>Rupees</b>	<b>Rupees</b>
<b>Capital investment subsidy</b>		
Balance as at the beginning of the year	1,500,000	1,500,000
Balance as at the end of the year	1,500,000	1,500,000
<b>Securities Premium</b>		
Balance as at the beginning of the year	4,673,108	4,673,108
Balance as at the end of the year	4,673,108	4,673,108
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as per last Financial Statements	10,657,812	11,511,871
Profit/(Loss) for the year	(3,245,725)	(854,059)
Balance at the end of the year	7,412,087	10,657,812
	<b>13,585,195</b>	<b>16,830,920</b>
<b>4 Long-term Borrowings</b>		
<b>Term loan - Secured</b>		
HDFC Bank Ltd. (Car)	1,653,787	2,213,749
HDFC Bank Ltd. (Car)	74,431	240,359
Bank of India	3,420,000	-
	<b>5,148,218</b>	<b>2,454,108</b>

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

- 1 Term loans from HDFC Bank is secured by hypothecation of cars and vehicle.
- 2 Term loan from Bank of India is secured by hypothecation of Plant and Machineria Area No. 2, Pithampur, Dist. Dhar and personal guarantee of Managing Director Mr. Atul Kumar Sethi and Whole Time Director Mrs. Amita Sethi.

**Maturity profile of long term borrowings****Secured loans**

2017-18	-	725,890
2018-19	1,858,052	718,052
2019-20	1,879,778	739,778
2020-21	1,410,388	270,388
	<b>5,148,218</b>	<b>2,454,108</b>

**Notes to the financial statements as of and for the year ended March 31, 2017**

(In INR ` )

Particulars	As at March 31st, 2017	As at March 31st, 2018
<b>5 Other long-term liabilities</b>		
Deposit from customers	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
<b>6 Short-term borrowings</b>		
<b>A. WORKING CAPITAL LOAN</b>		
ICICI Bank Limited	763,634	802,573
Bank of india (Secured)	19,337,121	15,787,608
	<u>20,100,755</u>	<u>16,590,181</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	1,364,567	1,319,780
Others	748,399	957,136
	<u>2,112,966</u>	<u>2,276,916</u>
<b>8 Other current liabilities</b>		
Current maturities of long term debts*	1,865,890	636,609
Advance from customers	835,174	1,152,817
Statutory dues (including provident fund and tax deducted at source)	913,565	1,128,889
Other payables	5,443,696	5,522,378
	<u>9,058,325</u>	<u>8,440,693</u>
<b>Nature of security:</b>		
* It includes vehicle loan from HDFC Bank Ltd & Bank of India 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	2,106,032	2,096,223
Provision for income tax	-	1,003,500
	<u>2,106,032</u>	<u>3099723</u>

**10.1 Tangible assets**

(In INR ` )

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to March 31, 2016	For the Year	Deductions/ Adjustments	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	193,350	193,350
Buildings	14,903,735	-	-	14,903,735	9,098,079	556,612	-	9,654,691	5,249,044	5,805,656
Plant & Machineries	49,923,686	495,264	-	50,418,950	38,007,500	2,706,746	-	40,714,246	9,704,704	11,916,186
Furniture & Fixture	3,561,651	-	-	3,561,651	3,329,670	20,744	-	3,350,414	211,237	231,981
Vehicles	8,137,726	1,096,380	1,390,250	7,843,856	4,366,958	1,447,819	769,216	5,045,561	2,798,295	3,770,768
Office Equipments	1,652,778	129,399	-	1,807,177	1,536,361	88,216	-	1,623,577	183,600	142,417
Computers	3,930,219	24,000	-	3,930,219	3,690,473	34,144	-	3,724,617	229,602	239,746
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-
Capital Work in Progress (Cochlear Division)	-	7,738,762	-	7,738,762	-	-	-	-	7,738,762	-
<b>Total</b>	<b>82,573,537</b>	<b>9,483,805</b>	<b>1,390,250</b>	<b>90,667,092</b>	<b>60,273,433</b>	<b>4,854,281</b>	<b>769,216</b>	<b>64,358,498</b>	<b>26,308,594</b>	<b>22,300,104</b>
<b>Previous year</b>	<b>80,622,705</b>	<b>1,950,832</b>	<b>-</b>	<b>82,573,537</b>	<b>54,259,470</b>	<b>6,013,963</b>	<b>-</b>	<b>60,273,433</b>	<b>22,300,104</b>	<b>26,363,235</b>

**10.2 Intangible assets**

PARTICULARS	Gross Block (at cost)				Depreciation / Amortisation				Net block	
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to March 31, 2016	For the Year	Deductions/ Adjustments	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Technology Purchase	16,084,914	-	-	16,084,914	13,171,853	1,608,491	-	14,780,344	1,304,570	2,913,061
Software	475,900	-	-	475,900	142,118	47,590	-	189,708	286,192	333,782
<b>Total</b>	<b>16,560,814</b>	<b>-</b>	<b>-</b>	<b>16,560,814</b>	<b>13,313,971</b>	<b>1,656,081</b>	<b>-</b>	<b>14,970,052</b>	<b>1,590,762</b>	<b>3,246,843</b>
<b>Previous year</b>	<b>16,560,814</b>	<b>-</b>	<b>-</b>	<b>16,560,814</b>	<b>11,657,890</b>	<b>1,656,081</b>	<b>-</b>	<b>13,313,971</b>	<b>3,246,843</b>	<b>4,902,924</b>

**Notes on Consolidated financial statements as of and for the year ended March 31, 2017**  
(in ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
<b>11 Long-term loans and advances</b> (Unsecured, considered good unless stated otherwise) Security and other deposits	2,066,260	2,096,300
	<b>2,066,260</b>	<b>2,096,300</b>
<b>12 Inventories</b> Finished goods Stock-in-process Raw materials Stock in Trader	6,395,103 6,456,697 12,864,437 34,348	8,284,950 9,165,550 7,834,569 40,000
	<b>25,750,585</b>	<b>25,325,069</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	6,676,061 14,849,413	4,681,199 13,368,363
	<b>21,525,474</b>	<b>18,049,562</b>
<b>14 Cash and bank balances</b> <b>Cash and cash equivalents</b> Cash on hand <b>Other bank balances</b> Fixed Deposits with banks	213,631 987,933	2,435,202 961,933
	<b>1,201,564</b>	<b>3,397,135</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	1,472,767 3,128,636 430,374 2,227,343	6,117,895 2,750,995 426,086 1,135,681
	<b>7,259,120</b>	<b>10,430,657</b>
<b>16 Other current assets</b> (Unsecured, considered good) Accrued Interest on Fixed Deposit with Banks	397,428	276,822
	<b>397,428</b>	<b>276,822</b>
<b>17 Revenue from operations</b> Sale of products	69,429,021	74,424,458
	<b>69,429,021</b>	<b>74,424,458</b>
<b>18 Other income</b> Interest received Profit on sale of fixed assets Other Receipts	141,897 78,966 321,500	105,788 - 53,000
	<b>542,363</b>	<b>158,788</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	7,834,569 26,183,039 12,864,437	13,307,807 19,392,276 7,834,569
	<b>21,153,171</b>	<b>24,865,514</b>

**Notes on Consolidated financial statements as of and for the year ended March 31, 2017**  
(in ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
<b>20 Changes in inventories of finished goods and work-in-progress and stock-in-trade</b>		
<b>Inventory at the beginning of the year (a)</b>		
Finished goods	8,284,950	8,561,336
Stock in process	9,165,550	9,665,599
Stock in Trade	40,000	38,044
	<b>17,490,500</b>	<b>18,264,979</b>
<b>Inventory at the end of the year (b)</b>		
Finished goods	6,395,103	8,284,950
Stock in process	6,456,697	9,165,550
Stock in Trade	34,348	40,000
	<b>12,886,148</b>	<b>17,490,500</b>
<b>Decrease/(Increase) in inventories (a) - (b)</b>	<b>4,604,352</b>	<b>774,479</b>
<b>21 Employee benefits expense</b>		
Salaries and wages	16,139,923	15,826,072
Contribution to provident and other funds	866,335	1,409,531
Staff welfare expenses	276,430	175,733
	<b>17,282,688</b>	<b>17,411,336</b>
<b>22 Finance costs</b>		
Interest on term loan	571,332	267,566
Interest-others	3,273,025	3,248,637
Bank charges	157,112	180,823
	<b>4,001,469</b>	<b>3,697,026</b>
<b>23 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	53,773	17,218
Entry tax	484,332	357,475
Exchange difference (net)	(53,647)	181,279
Freight inward	557,580	910,046
Insurance	33,237	64,435
Job Work & Labour Charges	303,723	714,666
Laboratory Expenses	91,820	103,026
Power, fuel and water	1,238,954	1,175,555
Repairs to Others	99,875	141,166
Repairs to buildings	107,828	212,007
Repairs to plant and equipments	1,037,568	901,246
Fees for Technical Services	1,178,834	212,373
	<b>5,133,877</b>	<b>4,990,492</b>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	20,841	31,691
Packing materials	738,338	508,271
Commission	312,565	422,894
Implantation Charges	1,932,905	1,824,920
Travelling expenses	4,282,760	4,419,252
Freight outward	404,241	360,905
Selling and business promotion expenses	3,289,671	3,905,681
	<b>10,961,321</b>	<b>11,473,614</b>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	145,000	191,000
Conveyance	196,811	154,997
Courier and postage charges	152,715	102,432
Legal and professional charges	2,220,080	1,380,819
Misc. expenses	518,789	925,914
Printing and stationery	159,089	101,716
Rates and taxes	290,030	217,049
Rent	100,400	323,200
Telephone and fax charges	219,101	235,682
Vehicle running & Mainenance Expenses	703,296	547,543
	<b>4,705,311</b>	<b>4,180,352</b>
<b>(a)+(b)+(c)</b>	<b>20,800,509</b>	<b>20,644,458</b>

## Notes on Consolidated financial statements as of and for the year ended March 31, 2017

(in ` )

Particulars	As at March 31st, 2017	As at March 31st, 2016
24 The consolidated Financial Statements present the Consolidated account of Shree Pacetronix Limited with its subsidiary. The names, country of incorporation, percentage of ownership interest is as under :-		
Name of the Company	Country of Incorporation	% Shareholding of Shree Pacetronix Limited
Shree Coratomic Ltd.	India	99.91%

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

## 26 Segment reporting

## A. Primary segment

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

## B. Secondary segment

Particulars *	India	Rest of the world	Total
i) Segment revenue	64,373,549 (69,368,986)	5,055,472 (5,055,472)	69,429,021 (74,424,458)
ii) Carrying cost of segment assets	88,361,217 (85,942,532)	- -	88,361,217 (85,942,532)
iii) Addition to Fixed Assets	9,483,805 (1,950,832)	- -	9,483,805 (1,950,832)

\* 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, 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	Whole time Director

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

Smt Heera Sethi
Mrs. Yamini Gokhale

As per our report of even date  
For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

## (CA Ajay Sharma)

Proprietor  
Membership Number: 404968

Place: Pithampur  
Date : 30th May 2017

## For and on behalf of Board of Directors

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Priya Singh**  
Company Secretary



## Notes on Consolidated financial statements as of and for the year ended March 31, 2017

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

Details of transactions and closing balances	Year Ended March 31st, 2017	Year Ended March 31st, 2016
<b>Aul Kumar Sethi</b> Director Remuneration Closing Balance - Payable	2,515,200 593,212	2,630,400 1,669,070
<b>Mrs. Amita Sethi</b> Director Remuneration	631,800	657,600
<b>Vikas Gokhale</b> Director Remuneration	968,376	975,504
<b>Mrs. Hira Sethi</b> Rent	-	180,000
<b>Mrs. Yamini Gokhale</b> Commission	40,111	153,090

## 28 Contingent liabilities :-

(i) The disputed demand on Income Tax	280,000	280,000
	<b>280,000</b>	<b>280,000</b>

29 The Company has incurred expenses on Research and Development every year. These expenses were included in respective head of expenses. Raw-materials consumed includes consumption of research and development materials Rs. 674354/- (Previous year Rs. 224492) and salary and wages includes salary paid for research and development staff Rs. 2086812/- (Previous year Rs. 1505496).

## 30 Disclosure on specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other as per the notification are as follows.

Particulars	SBNs	Other	Total
Closing cash in hand as on November 8, 2016	703,000	87,961	790,961
Add: Permitted receipt	-	247,000	247,000
Less : Permitted payments	26,000	265,136	291,136
Less : Amount deposited in banks	677,000	-	677,000
Closing cash in hand as on December 30, 2016	-	69,825	69,825

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

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

As per our report of even date

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants

**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968

Place: Pithampur  
Date : 30th May 2017

For and on behalf of Board of Directors

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Priya Singh**  
Company Secretary

**SHREE PACETRONIX LIMITED**

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

**PROXY FORM**

Form No. MGT-11

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

CIN : L33112MP1988PLC004317  
Name of the Company : Shree Pacetronix 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 Ninth (29th) Annual General Meeting of the Company, to be held on Monday, 25th, September, 2017 at 11.30 A.M. at the registered office of the company at Plot No. 15; Sector No. II, Industrial Area, Pithampur, (M.P.) - 454775, and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:	
1.	To receive, consider and adopt the audited Financial Statements (including Audited consolidated financial statements) for the Financial Year ended March 31, 2017 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 Ajay Sharma and Company, Chartered Accountants as statutory auditors of the Company and to fix their remuneration
Special Business	
4.	Re-Appointment Of Mr. Vikas Gokhale (DIN: 05193393) As Whole-Time Director Of The Company.
5.	To Call Remaining Rs. 15/- on Reissued 74,200 Forfeited Equity Shares (Reissued On 25th September, 2007):
6.	To Approve the Expenses for Service of Documents to Members

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

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**

**29<sup>th</sup> ANNUAL GENERAL MEETING ON 30<sup>TH</sup> SEPTEMBER 2017**

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 29th Annual General meeting of the company at the registered office of the company on Monday, 25th September, 2017.

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

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

**Note :**

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

**BOOK - POST**

*If undelivered please return to :*

**Shree Pacetronix Limited**  
Regd. Off.: Plot No. 15, Sector II, Industrial Area  
Pithampur - 454 775 Distt: Dhar

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