

**TWENTY THIRD
ANNUAL REPORT
2010 - 2011**



Shree Pacetroneix Ltd.

Technology Serving Humanity

An ISO-9001 Company

BOARD OF DIRECTORS

Shri Atul Kumar Sethi,	Chairman & Managing Director
Smt. Amita Sethi,	Whole time Director
Shri Sushil Patni	Non Executive Independent Director
Shri Anil Ratni	Non Executive Independent Director
Shri Praveen K. Badjatya	Non Executive Independent Director

BANKER

BANK OF INDIA
Santha Bazar, INDORE

AUDITORS

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

REGD. OFFICE & FACTORY

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

SHARE TRANSFER AGENT

Ankit Consultancy Private Limited
60, Electronics Complex,
Pardeshipura, Indore (M. P.) - 452 001

N O T I C E

NOTICE is hereby given that 23rd Annual General Meeting of the Members of the **SHREE PACETRONIX LIMITED** will be held on Friday, 30th September, 2011 at 10:30 a.m at the registered office of the company to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and Profit and Loss Accounts for the year ended on that day together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Praveen Kumar Badjatya retires by rotation and being eligible offers himself for re-appointment.
3. To consider re-appointment of the Auditors and fixing up of their remuneration.

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

PLACE: Indore

DATE: 29th August, 2011

Atul Sethi
Chairman & Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. 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 signatures registered with the company for admission to the meeting place.
 - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
3. The Register of Members and Share Transfer Books of the company shall remain closed from 29/09/2011 to 30/09/2011 (both days inclusive).
4. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
5. Members seeking any information are requested to write to the company at least 10 days before the date of the AGM to enable the management to reply appropriately at the AGM.
6. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at M/s Ankit Consultancy Pvt. Ltd., 60, Electronics Complex, Pardeshipura, Indore (M. P.) - 452 001
7. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT IN THE
ENSUING ANNUAL GENERAL MEETING**

Name of Directors	MR. PRAVEEN KUMAR BADJATYA
Date of Birth	21.08.1964
Date of Appointment	15.07.2010
Expertise/ Experience in Specific functional areas	More than 20 year experience in commercial Business.
No. of Equity Shares held	
List of outside Company directorship held	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	Member Audit Committee Remuneration Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report and Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS	31.03.2011	31.03.2010
Turnover including other Income	560.72	606.68
Profit before interest & depreciation	50.20	95.19
Interest & other charges	36.05	32.08
Depreciation	46.25	38.58
Profit before Tax	-32.10	24.53
Less : Provision for Tax :		
Current Tax	-0.40	9.64
Fringe Benefit Tax -	0.00	0.87
Deferred Tax -	9.07	-1.65
Net Profit after Tax	-22.63	15.68

PERFORMANCE REVIEW & FUTURE OUTLOOK

The company recorded a total turnover of **Rs. 555.44Lacs** In year 2010 -2011 against a previous turnover of **Rs. 595.51 Lacs**. Export sale was **Rs.49.73 Lacs** compared to **Rs.52.64 Lacs** respectively, due to higher overhead cost and manufacturing expenses the bottom line of the Company has turned into negative and the Company has incurred losses of Rs.32.10 Lacs against the handsome profit of Rs.24.53 Lacs in comparison of last year. Your directors are working hard to reduce the cost and improve the financial performance of the Company in the years to come.

As the last financial year incurred heavy expenditure in machinery, development and expansion and at the same decrease in sale both indogeneously and exports, the company has run into loss for the first time since inception.

With CE approvals in hand the company expects to triple exports in the coming financial year and with the installation of new laser machine , the company hopes to double production to meet the requirements for supply against approvals received overseas. The company expects to do better than last year by more than 30% to cover the losses generated if not eliminate the same altogether.

DIRECTORATE

In term of the provision of the Company Act, 1956 Shri Pravin Kumar Badjatya would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer himself for reappointment. There is no other change in the composition of board of directors of the company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board confirms that:

- The financial statements are in full conformity with the requirements of the Companies Act, 1956, and applicable accounting standards have been followed along with proper explanation relating to material departure.
- The directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for the year under review.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts for the financial year ended 31st March 2011 on going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s S. R. Naredi & Co. Chartered Accountants, Indore retire at the conclusion of the ensuring Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under section 224 (1-B) of the Companies Act, 1956. The observations of the Auditors made in their Auditors' Report are suitably explained in the Notes to the Accounts.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

The details required under section 217 (1) (e) of The Companies Act, 1956 are given in the annexure and forms part of this report as Annexure - 1.

PUBLIC DEPOSITS

During the year, the Company has not accepted any public deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

COMPLIANCE CERTIFICATE

The Company has received the Compliance Certificate form the Practicing Company Secretary which is forming part of the report of the Board of Directors as Annexure - 2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report covering the matters listed in Clause 49 of the Listing Agreement for the Year under review is given as separate statement in the Annual Report as Annexure- 3.

CORPORATE GOVERNANCE

A report on corporate governance is enclosed containing details as required by the listing agreement which is forming part of the report of the Board of Directors as Annexure - 4.

SUBSIDIARY COMPANY

As required under section 212 of the Companies Act, 1956, the Audited Accounts together with the reports of the Directors and Auditors are attached.

HUMAN RESOURCES

The relations with the employees continued to be cordial and satisfactory throughout the year. Your Directors wish to place on record their deep sense of appreciation for the devoted services, of all employees of the Company for their sustained efforts in improving the operational efficiencies.

PARTICULARS OF EMPLOYEES

None of the employees, of the Company is covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and amendments thereto from time to time.

APPRECIATION

Your Directors wish to place on record their appreciation for the continued co-operation and support given to the Company by its Customers, Shareholders, Bankers, and Central & State Governments including all those associated with the Company

Place: Indore

Date: 29th August, 2011

For and on behalf of the Board of Directors of

Shree Pacetronix Limited

(ATUL KUMAR SETHI)

(Chairman & Managing Director)

Annexure - 1

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2011.

ANNEXURE TO THE DIRECTORS' REPORT

(As required under section 217 (1) (e) of the Companies Act, 1956)

I. CONSERVATION OF ENERGY

The Company continued its efforts to conserve energy by installing various equipments and utilities. Regular inspection of such equipments have been carried out. The above measures have resulted in controlling of energy consumption.

FORM - A

Form for disclosure of particulars with respect to conservation of energy.

	31.03.2011	31.03.2010
A. POWER & FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (Nos.)	115435	117271
Total Amount (Rs.)	557708	728790
Rate/Unit (Rs.)	4.83	6.21
(b) Own Generation		
(i) Through diesel Generator		
Units (Nos.)	NIL	NIL
Units/litre of diesel oil (Nos.)	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
(ii) Through steam Turbine/genrator	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION		
Production of Pacemakers (Nos.)	1949	2048
Electricity (Units)	59.23	57.26
Furnace Oil	NIL	NIL
Coal	NIL	NIL

II. TECHNOLOGY ABSORPTION

FORM - B

Form for disclosure of particulars with respect to absorption.

RESEARCH AND DEVELOPMENT (R & D)

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Specific areas in which R & D carried out by the Company. 2. Benefits derived as a result of the above R & D. 3. Future plan of action. 4. Expenditure on R & D. | <p>The Company is developing various components in-house.</p> <p>Reducing dependence on the import and improvement in the quality.</p> <p>To continue R & D for new products & indigenisation.</p> <p>Charged to respective head of accounts.</p> |
|--|---|

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. The efforts have been made towards Technology absorption & adoption of Technology received from M/s.Bio-Pace Technology Inc., USA for the manufacture of Cardiac Pacemakers.

2. Benefits derived as a result of above efforts i. e. product improvement, cost reduction, product development, and import substitution etc. in the manufacturing of Cardiac pacemakers.
3. In case of Imported Technology (Imported during last 18 years reckoned from beginning of the financial year) following information be furnished :

(a) Technology imported	IN FULL
(b) Year of import	1992-93
(c) Has Technology been fully absorbed?	Yes
(d) If not fully absorbed areas where this has not taken place, reasons thereof & future plan of action.	N. A.

III. FOREIGN EXCHANGE EARNINGS AND OUT GO

		(Rs. in Lacs)	
		31/03/2011	31/03/2010
1. Foreign Exchange earned :			
- FOB Value of Exports	49.73		52.64
- Job Work	0.00		0.00
2. Foreign Exchange used : CIF Value of import of			
- Raw Materials	127.07		136.27
- Capital Goods	5.97		66.34
- Traded Goods	Nil		3.66
3 Foreign Travels :			
- Directors & Others	7.18		11.13

Annexure - 2

COMPLIANCE CERTIFICATE

[Rule 3 of Companies (Compliance Certificate) Rules, 2001]

CIN: L33112MP1988PLC004317

Authorised Capital: Rs.5,00,00,000/-

Paid-up Capital: Rs.3,59,94,000/-

To,
The Members,
SHREE PACETRONIX LIMITED
PITHAMPUR

I have examined the registers, records, books and papers of **SHREE PACETRONIX LIMITED** ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its directors and officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Limited Company, comments is not required.
4. The Board of Directors duly met 4 times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company being a listed company closed its Register of Members on 29th September, 2010 to 30th September, 2010 under Section 154 of the Act.

6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 30th September 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. The Company has not held any Extra-ordinary General Meeting during the financial year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into contracts in contravention of the provisions of section 297 of the Act.
10. The Company has complied with the provisions relating to register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has issued duplicate certificates during the financial year by the registrar and transfer agent of the Company time to time in compliance with the provisions of the Companies Act, 1956 read with the listing agreement.
13. The Company has
 - i) delivered all the certificate of securities on allotment of shares/ lodgment thereof transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) not posted warrants to any member of the Company as no dividend declared during the financial year.
 - iv) was not required to transfer any amount to the Investor Education & Protection Fund as there was no amount due for transfer to the above said account relating to unpaid dividend, application money due for refund, matured deposits, matured debentures and interest accrued thereon as remain unpaid or unclaimed for a period of Seven years.
 - v) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was appointment of Shri Praveen Kumar Barjatya as Additional director of the company on Board Meeting held on 15.07.2010 there was no other appointment of, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has re-appointed Shri Atul Kumar Sethi for further period of 3 years as managing director and Smt. Amita Sethi re-appointed as whole-time director for further period of 3 years during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has not been required to obtain any approval of the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors Pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preference shares or debentures.
22. The Company has not declared dividend nor has issued any rights shares and bonus shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has borrowed the loan in Compliance of the Section 293(1) (d) of the Act.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place : INDORE
Date : 29.08.2011

Signature :
Name of the Company Secretary : ASHISH GARG
F.C.S No. 5181, C.P. No. 4423

Annexure A
Registers as maintained by the Company

1. Register of Share Transfers.
2. Register of Charges under Section 143.
3. Register of Members under Section 150.
4. Registers & Returns kept at the Registered Office viz Annual Returns under Section 163.
5. Minutes Book of Board Meeting and General Meeting under Section 193.
6. Books of Accounts under Section 209
7. Register of Contracts under Section 301
8. Register of Directors, Managing Director, Manager and Secretary under Section 303
9. Register of Director's Shareholdings under Section 307
10. Register of Inter Corporate Investments.

Annexure B
Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2011.

Sr. No.	Form No./Return	Filed under section	For	Date of filing filing/Date of deposit of Challans	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional fees paid (Yes/No)
1.	Balance Sheet	Sec. 220	As on 31.03.2010	07.10.2010	Yes	No
2.	Annual Return	Sec. 159	AGM held on 30.09.2010	04.02.2011	Yes	No
3.	Form 66	Sec. 383 A	For the financial year ended on 31.03.2010	04.10.2010	Yes	No
4.	Form 66	Sec. 303	Change in the Director	20.07.2010	Yes	No
5.	Form 25C	Sec 269 (2)	Re-appointment of Managing Director	14.12.2010	Yes	No
6.	Form 25C	Sec 269 (2)	Re-appointment of MD/WT D	04.10.2010	Yes	No

Place : INDORE
Date : 29.08.2011

Signature :
Name of the Company Secretary : ASHISH GARG
F.C.S No. 5181, C.P. No. 4423

Annexure - 3

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS REPORT (forming part of Directors Report)

- (a) **Industry Structure and Development**
The Company is engaged in manufacturing and marketing of different types of Pacemakers. There has been growing demand of the products manufactured by your Company.
- (b) **Highlights of Performance**
The same has been given in the Directors Report under the heading performance review.
- (c) **Segment wise or product wise performance:**
The Company is engaged in pacemakers manufacturing only and there is no separate repeatable segments.
- (d) **Opportunities and Threats/Risk and Concerns**
With the growing awareness about the healthcare in the country, there are vast opportunities for the products of the Company. Global economic trends, global competitors, uncertainties about the development of national healthcare system represents threats for the company.
- (e) **Internal Control System**
The Company has proper internal control system which provides adequate safeguards and effective monitoring of the transactions.
- (f) **Human Resources**
Various initiatives have been taken to enhance the skills, knowledge and competency of the employees. The industrial relations remained harmonious throughout the year.
- (g) **Cautionary Statement**
Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or predications may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could influence the Company's operations include competition, government policies and regulations.

Annexure - 4

CORPORATE GOVERNANCE REPORT

Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The importance of Corporate Governance lies in the contribution it makes to the overall growth and direction of the business, management accountability, transparency and equity with stakeholders. In terms of Clause 49 of Listing Agreement for the continuing good governance and transparency a report in this regard is submitted hereunder:

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a system and pattern of transparent and democratic functioning by which operations and management of a business corporation is directed and controlled. The Corporate Governance structure specifies the distribution of rights and responsibilities amongst the participants in the corporation, such as, the Board, Managers, and Shareholders and spells out the rules and regulations for making decisions on corporate affairs.

As a good corporate citizen, the Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

The Company believes that transparency, empowerment, accountability and integrity are the fundamental principles of Sound Corporate Governance. This philosophy has guided the operations and the functioning of the Company. Our Corporate Governance philosophy stems from our belief that the business strategy and plans should be consistent and growth oriented adequately taking care of welfare of all the stakeholders. The company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

The Company has complied with the requirements of the Corporate Governance Code in terms of Clause 49 of the Listing Agreement. The company has a sound Corporate Governance mechanism in place.

CEO Certification

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

2. BOARD OF DIRECTORS

The Board of Directors of the company consists of eminent persons with considerable professional expertise and experience of trade, commerce, profession and industry. The present composition is two directors in the whole time employment of the company and three independent professional directors. The particular of the Board with their interest in other concern is presented before you in the following table:

Name of Director	Category of Directorship	No. of Board Meeting attended	No. of other Director ship	Committee Membership Member	Chairman
Shri A. K. Sethi	Mg. Director	5	2	1	1
Smt. Amita Sethi	W. T. Director	5	2	--	--
Shri Sushil Patni	Non-Executive	5	--	3	2
Shri Anil Rathi	Non-Executive	5	3	3	--
Shri Bansi Lal Baid*	Non-Executive	1	--	--	--
Shri Shri Praveen Badjatya \$	Non-Executive	4	--	2	--

* Shri Bansi Lal Baid resigned on 15 July 2010

\$ Shri Praveen Kumar Badjatya was appointed on 15 July 2010

3. Board Procedure

The Board meets at least once in a calendar quarter to review the overall business operations including considering 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 Board met four times during the year under review on 30th April 2010, 15th July 2010, 30th October 2010 and 29th January 2011.

4. AUDIT COMMITTEE

The audit committee consists of the following directors:-

Name of Director	No. of Meetings held	No. of meetings attended
1. Shri Sushil Patni (Chairman)	04	04
2. Shri Bansi Lal Baid	04	03
3. Shri Anil Rathi	04	04

All the members of the committee are independent and possess knowledge of finance, accounts and company law. The functions of the Audit Committee are as per the Companies Act and Listing Agreement with stock exchange(s). These include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.

5. REMUNERATION COMMITTEE

The Company pays remuneration to the Whole-time Directors while no sitting fees is paid to non-executive directors. The remuneration of the Whole-time Directors is decided by the Board of Directors and approved by the shareholders. The aggregate amount of the remuneration paid for the financial year 2010-11 is as under:-

Shri A. K. Sethi (Managing Director)	-	Rs 26.30 Lacs
Smt. Amita Sethi (Whole-time Director)	-	Rs 06.58 Lacs

The committee comprises of three independent directors as members as follows -

1. Shri Sushil Patni (Chairman)
2. Shri Praveen Badjatya
3. Shri Anil Rathi

6. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE :

The Company has constituted a Shareholders' / Investors' Grievances Committee. The Members of the committee are as under:

1. Shri Atul Kumar Sethi (Chairman)
2. Shri Sushil Patni
3. Shri Anil Rathi

The Committee is to oversee the effective redressal of the complaints of the Shareholders such as transfer of shares, dematerialization, non-receipt of balance sheet etc. The Committee also recommends steps to be taken for further improvement in the quality of service to the investors. The Share Transfer Agent/Company has sent replies to shareholders in respect of all the complaints received during the financial year.

7. COMPLIANCE OFFICER

Shri Hari Mohan Jha is the Compliance Officer in the company.

8. GENERAL BODY MEETINGS

The last three General Meetings were held as per detail below: Date of General Meeting Relevant Venue/ location Time of meeting Financial year where held

25-09-2008	2007-08	Registered office	10:30 a.m.
25-09-2009	2008-09	Registered office	10:30 a.m.
30-09-2010	2009-10	Registered office	10:30 a.m.

No special resolutions were passed through postal ballot in the last AGMs. No special resolutions requiring postal ballot are placed before the shareholders for approval at the forthcoming AGM.

9. DISCLOSURES

- Related parties and transactions with them as required under Accounting Standard 18 (AS-18) are furnished under Paragraph No. 7 of the Notes to the Accounts attached with the financial statement for the year ended March 31, 2011. The transactions with the related parties do not have potential conflict with the interests of the Company at large.
- There were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.
- Auditors Certificate on corporate governance is enclosed herewith.

10. MEANS OF COMMUNICATIONS

The Company publishes its quarterly results in accordance with the Stock Exchange Listing Agreement in newspapers viz. "Free Press" (English) and "Choutha Sansar" (Hindi).

11. SHAREHOLDERS INFORMATION**(a) ANNUAL GENERAL MEETING**

Date: 30th Septemeber, 2011

Day: Friday

Time & Venue: 10:30 a.m. at the registered office of the company at Plot No. 15, Sector II, Industrial Area, Pithampur (M. P.)

(b) FINANCIAL CALENDAR

(Tentative)

(i) Results for the quarter ending 30-06-2011:

July, 2011

(ii) Results for the quarter ending 30-09-2011:

October, 2011

(iii) Results for the quarter ending 31-12-2011:

January, 2012

(iv) Results for the quarter ending 31-03-2012:

April, 2012

(c) DATES OF BOOK CLOSURE

29-09-2011 to 30-09-2011 (Both days inclusive)

(d) LISTING OF SHARES ON STOCK EXCHANGES

The equity shares of the Company are listed at Bombay Stock Exchange Ltd., Mumbai and the application has been made to the Madhya Pradesh Stock Exchange Limited for delisting. Listing fees as prescribed, has been paid to the Bombay Stock Exchange Limited.

(e) STOCK CODE

: Scrip Code: BSE 527005

Demat ISIN No. in NSDL & CDSL: INE 847D01010

(f) REGISTRAR AND TRANSFER AGENT

: Ankit Consultancy Pvt. Ltd.

60, Electronics Complex,

Pardeshipura, Indore (M.P.) -452001

(g) SHARE TRANSFER SYSTEM

:

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.

(h) DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2011**(i) SHAREHOLDING PATTERN AS ON 31-03-2011**

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters	807147	22.42
2.	Private Corporate Bodies	221011	6.14
3.	Indian Public	1845047	51.26
4.	NRIs/OCBs	726195	20.18
	TOTAL	3599400	100.00

(j) **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

2017724 shares were dematerialized till 31-03-2011 which is 56.06% of the total paid up equity share capital of the Company. Trading in shares of the Company is permitted in dematerialized form only.

(k) **STOCK MARKET DATA**

Table 1 gives the monthly high and low quotations as well the volume of shares traded at Bombay Stock Exchange during 2010-11.

Table 1: Monthly highs and lows and volumes traded at the BSE, 2010-11

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
Mar 2011	40.90	32.65	38.30
Feb 2011	40.95	33.50	37.10
Jan 2011	42.70	35.05	40.60
Dec 2010	39.00	32.20	37.00
Nov 2010	42.00	32.50	35.65
Oct 2010	43.95	34.05	36.15
Sep 2010	43.00	34.00	35.85
Aug 2010	46.40	38.50	38.60
Jul 2010	44.90	37.90	43.30
Jun 2010	45.60	37.20	41.45
May 2010	42.90	35.75	39.00
Apr 2010	40.95	34.50	38.10

(l) **PLANT LOCATION**

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

(j) **ADDRESS OF CORRESPONDENCE:**

Investors correspondence should be address to :

Ankit Consultancy Pvt. Ltd.,
60, Electronics Complex,
Pardeshipura, Indore (M.P.) -452001

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

In accordance with Clause 49 (I) (D) of the Listing Agreement, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to all the Directors and Senior Management, for the year ended March 31, 2011.

Place: Indore

Date: 29th August, 2011

For and on behalf of the Board of Directors of

Shri Atul Kumar Sethi
Managing Director

CERTIFICATE CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Board of Directors,
Shree Pacetronix Ltd.
Dear Sirs,

- (a) We have reviewed the Balance Sheet, Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the cash flow statement as at 31st March 2011 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further certify that, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there is
 - (i) No significant change in internal control over financial reporting during the year
 - (ii) No significant change in accounting policies during the year under review and
 - (iii) No instance of any fraud in the company in which the management has any role.

Place : Indore

Date : 29th August, 2011

For and on behalf of the Board of Directors of
Shri Atul Kumar Sethi
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
SHREE PACETRONIX LIMITED

We have examined the compliance of condition of Corporate Governance by **Shree Pacetronix Limited** for the year ended 31st March 2011, as stipulated in clause 49 of the listing Agreements of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our Examination was Limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In 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 clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2011, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Company.

We further 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 S.R. NAREDI & CO.
Chartered Accountants

(S.R.Naredi)
Proprietor
Membership No. 72014

PLACE : Indore
DATE : 29th August, 2011

Auditors' Report on Consolidated Financial Statements

To,
The Board of Directors of
Shree Pacetronix Ltd.

We have audited the attached Consolidated Balance Sheet of Shree Pacetronix Limited and its Subsidiary at 31st March 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of Shree Pacetronix Limited Management and have been prepared by the management on the basis of separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have audited the financial statements of a subsidiary viz. Shree Coratomic Limited. The attached consolidated financial statements include net assets of Rs. 106.04 Lacs as at 31st March 2011 and revenue of Rs. 80.97 Lacs and net cash flows amounts to Rs. (-)9.61 Lacs for the year then ended. We report that the consolidated financial statements have been prepared by Shree Pacetronix Limited's management in accordance with the requirements of Accounting Standard 21 - "Consolidated Financial Statements," notified by the Companies (Accounting Standards) Rules, 2006.

Based on our audit and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) in case of the consolidated Balance Sheet, of the state of affairs of Shree Pacetronix Limited and its subsidiary as at 31st March, 2011; and
- b) in case of the consolidated Profit and Loss account, of the Loss for the year ended on that date and
- c) in case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

PLACE : INDORE
DATE : 29th August 2011

For : S.R.Naredi & Co.
Chartered Accountants
Registration No. 002818C
(CA. S. R. Naredi)
Proprietor
Membership No. 72014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	SCHEDULE No.	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<u>SOURCES OF FUNDS</u>			
A SHARE HOLDERS' FUNDS			
Share Capital	A	35994000	35994000
Reserves & Surplus	B	<u>14620837</u>	<u>16987398</u>
		50614837	52981398
B LOAN FUNDS			
Secured Loans	C	29688744	31663287
Unsecured Loans	D	<u>1555511</u>	<u>1708279</u>
		31244255	33371566
C MINORITY INTEREST		6341	6398
D DEFERRED TAX LIABILITIES (NET)		-	801026
		<u>81865433</u>	<u>87160388</u>
<u>APPLICATION OF FUNDS</u>			
A FIXED ASSETS	E		
Gross Block		91100750	85311758
Less: Depreciation and Amortisation		<u>44777563</u>	<u>39311652</u>
Net Block		46323187	46000106
B DEFERRED TAX ASSETS (NET)		135171	-
C CURRENT ASSETS, LOANS & ADVANCES			
Inventories	F	17357289	18804690
Sundry Debtors	G	13355694	17448562
Cash & Bank Balances	H	6560979	7077985
Loans & Advances	I	<u>6508780</u>	<u>6902368</u>
		43782742	50233605
Less: Current Liabilities & Provisions	J	<u>8375667</u>	<u>9073323</u>
		35407075	41160282
D MISCELLANEOUS EXPENDITURE			
Preliminary Expenses		<u>81865433</u>	<u>87160388</u>
NOTES ON ACCOUNTS	T		

As per our report of even date attached
For S. R. NAREDI & CO.
Chartered Accountants

(CA S. R. Naredi)
Proprietor

PLACE : Indore
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE No.	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
INCOME			
Sales	K	57114874	60953696
Other Income	L	540982	1124146
Increase (+) / Decrease (-) in Stock	M	1829986	-622277
		59485842	61455565
EXPENDITURE			
Material Cost	N	20900996	20096720
Manufacturing Expenses	O	4284447	2923532
Employees Remuneration & Benefits	P	14799144	15150758
Administrative Expenses	Q	8317087	7797249
Selling & Distribution Expenses	R	6615859	5583996
Interest	S	3688487	3263455
Depreciation and Amortization		5465912	4721420
Preliminary Expenses W/off		-	5560
		64071932	59542690
PROFIT FOR THE YEAR BEFORE TAX		-4586090	1912875
Add: Excess provision written back		1243054	-
PROFIT FOR THE YEAR		-3343036	1912875
Less: Provision for Taxation			
Income Tax		-40220	964020
Fringe Benefit Tax		-	170543
Deferred Tax		936198	-332546
PROFIT FOR THE YEAR AFTER TAX		-2366618	1110858
Less : Minority Interest		-57	-399
Balance brought forward from last year		10814290	9703033
BALANCE CARRIED TO BALANCE SHEET		8447729	10814290
NOTES ON ACCOUNTS	T		
Weighted Average Number of Equity Shares		3599400	3599400
Face Value per Equity Share		10	10
BASIC & DILUTED EARNINGS PER SHARE (EPS)		(-)0.66	0.31

As per our report of even date attached
For S. R. NAREDI & CO.
Chartered Accountants

(S. R. Naredi)
Proprietor

PLACE : Indore
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2011**

SCHEDULE : T : NOTES ON ACCOUNTS

1. Significant Accounting Policies :

A. Basis of preparation of consolidated financial statements:

The consolidated financial statements has been prepared and presented in accordance with the Indian Generally Accepted Accounting Principle ("GAAP") under the historical cost convention on the actual basis. GAAP comprises accounting standards notified by the Central Government of India, under section 211 (3C) of the Companies Act, 1956, other pronouncements of institute of Chartered Accountants of India., the provisions of Companies Act, 1956 and guidelines by Securities and Exchange Board of India.

B. Use of Estimates :

The preparation of consolidated financial statements in conformity with GAAP required management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current & future periods.

C. Principle of consolidation :

- (i) The financial statements of the parent company and its subsidiary have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profit/loss on intra-group transactions, as per Accounting Standard 21-Consolidated Financial Statements.
- (ii) The financial statements of the parent company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other event in similar circumstances.
- (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. 31st March.
- (iv) The excess / deficit of cost to the parent company of its investment in subsidiary company over its share of equity at the date on which the investment in subsidiary was made, is recognized as 'Goodwill / Capital Reserve' in the consolidated financial statements.
- (v) Minority interest in the net asset of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investment is made by the parent company in the subsidiary and further movements in their share in the equity subsequent to the date of investment.

D. Fixed Assets :

Fixed assets are stated at cost (net of VAT of which credit is allowed) less accumulated depreciation and impairment, if any. Cost includes all expenses incurred to bring the asset to present location and condition. All direct expenses are capitalized until fixed assets are ready to put to use. Capital Work in Progress comprises outstanding advances paid to acquire fixed assets that are not ready for intended use at Balance Sheet date

E. Depreciation/Amortisation :

- (i) Depreciation on fixed assets are provided on W D V Method at the rates and in the manner as prescribed in schedule XIV of the Companies Act, 1956.
- (ii) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis from the month of addition or upto the month of disposal, as applicable.

F. Intangible assets :

Intangible asset are stated at cost of acquisition less accumulated amortization. Technical know-how has been amortized over the period of ten years. Amortization is done on straight line basis.

G. Inventories :

Inventory is measured at lower of cost or net realizable value after providing for obsolescence, if any. Accordingly, the valuation criteria for inventory valuation during the year are as follows:

- (i) Raw Materials : At cost or net realizable value whichever is lower
 - (ii) Finished Goods : At cost or net realizable value whichever is lower
 - (iii) Stock in Process : At cost including related overheads or net realizable value whichever is lower.
- Costs comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is "First-in-First-out". Cost of work in progress and finished goods is determined on absorption costing method.

H. Borrowing Cost :

Borrowing Costs 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. Revenue Recognition / Sales :

Sales revenue is recognized on transfer of the significant risk & reward of ownership of the goods to the buyer and stated at net of discount, rebate, returns and VAT.

J. Foreign Currency Transaction :

- Transaction denominated in foreign currency are normally recorded at the exchange rates prevailing on the date of transaction.
- Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date.
- Non-monetary foreign currency assets and liabilities measured at historical cost are translated at exchange rate prevalent at date of transaction.
- Any income or expenses on account of exchange difference on translation is recognized in the profit and loss account.

K. Employees Benefits :

- 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.
- 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 10.44 Lacs remains outstanding which is computed based on Projected Unit Credit Method and company made provision of Rs 1.65 Lacs during the year.

L. Taxation :

Provision for current tax has been made on the basis of estimated taxable income for the current year and in accordance with the provisions as per Income Tax Act 1961. The deferred tax resulting from the 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. 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.

- 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 %

- 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.
- Consolidated financial statement have been prepared substantially in the same format as adopted by the parent to the extent possible and in accordance with Accounting Standard (AS) -21 "Consolidated Financial Statements".

5. Segment Reporting :**A. PRIMARY SEGMENTS**

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 SEGMENTS

Particulars	India	Rest of The world	Total
1 Segment Revenue	52682560 (56814019)	4973296 (5263823)	57655856 (62077842)
2 Carrying cost of Segment assets	89607303 (88150466)	633797 (8083246)	90241100 (96233712)
3 Addition to Fixed Assets	5788992 (10901022)	Nil (Nil)	5788992 (10901022)

(Previous year figures are in brackets)

6. Related Party disclosures :

Disclosures as required by the Accounting Standard – 18 'Related Party Disclosures' are given below :-

I. Relationship**a. Holding /Subsidiary Company :**

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

b. Key Management Personnel :

Shri Atul Kumar Sethi : Managing Director
Smt. Amita Sethi : Whole time Director
Shri Sushil Patni : Director

c. Other related parties where control exist : NIL**d. Relatives of Key Management personnel and their enterprises where transactions have taken place :**

Smt. Heera Sethi.

NOTE : Related party relationship is as identified by the company and relied upon by the Auditors.

II. Transactions carried out with related parties referred in I above in ordinary course of business :-

Nature of Transactions	Referred in I (b) Above	Referred in I (c) Above	Referred in I (d) Above
1. Rent	660000 (420000)	Nil (Nil)	120000 (420000)
2. Remuneration	3288000 (3288000)	Nil (Nil)	Nil (160000)

(Previous year figures are in brackets)

7. The Company has accounted for Deferred Tax Assets and Liabilities in accordance with the Accounting Standard - 22 " Accounting for taxes on Income". Accordingly Deferred tax liabilities & assets are as under:-

Particulars	As At 31.03.2011	As At 31.03.2010
Deferred Tax Liabilities On account Depreciation	2940082	2589846
Deferred Tax Assets on account of Accrued Expenses deductible on payment basis, unabsorbed depreciation and losses	3075253	1788820
Net deferred Tax Liabilities/(Assets)	(135171)	801026

8. Contingent liabilities not provided for :-

(i) Guarantees given by bank	64.60 Lacs	65.60 Lacs
(ii) The disputed demand on Income Tax	2.80 Lacs	19.19 Lacs

9. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)

16.70 122.67

10. Figure pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the parent company's financial statements.**11. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with current year.****12. The figures have been rounded off to the nearest rupee.**

As per our report of even date attached
For S. R. NAREDI & CO.
Chartered Accountants

(S. R. Naredi)
Proprietor

PLACE : Indore
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

		(Rs. in lacs)	
	2010-11	2009-10	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax & Extraordinary items as per profit & loss account	-45.86	19.13	
Add(+) / Deduct(-)			
Depreciation	54.66	47.21	
Interest Income	-4.04	-4.24	
Preliminary Expenses W/off		0.06	
Profit on sale of assets		-2.49	
Excess Provision written back	12.43		
Interest	36.88	99.93	32.63
Operating Cash Profit before working capital changes	54.07		92.30
Add(+) / Deduct(-)			
Trade & other Receivable	44.86	-71.59	
Inventories	14.47	19.32	
Trade Payable & other liabilities	2.38	-14.76	
	61.72		-67.03
Cash Generation from Operations	115.79		25.27
Deduct (-) Direct Taxes Paid	-8.95	-2.02	
	-8.95		-2.02
NET CASH FROM OPERATING ACTIVITIES	106.84		23.25
B. CASH FLOW FROM INVESTING ACTIVITIES			
Inflow / outflow (-)			
Sale of Fixed assets		5.26	
Purchase of Assets	-57.89	-123.97	
Interest Recd	4.04	4.24	
NET CASH FROM INVESTING ACTIVITIES	-53.85		-114.47
C. CASH FLOW FROM FINANCING ACTIVITIES			
Inflow / outflow (-)			
Proceeds from Long Term Borrowings (Net)	-9.16	96.67	
Proceeds from Short Term Borrowings (Net)	-12.11	33.26	
Interest Paid	-36.88	-32.63	
NET CASH FROM FINANCING ACTIVITIES	-58.16		97.30
NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)	-5.17		6.08
ADD: BALANCE AT THE BEGINING OF THE YEAR	70.78		64.70
CASH /CASH EQUIVALENTS AT END OF THE YEAR	65.61		70.78

As per our report of even date attached
For **S. R. NAREDI & CO.**
Chartered Accountants

(S. R. Naredi)
Proprietor

PLACE : Indore
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

AUDITORS' REPORT

To
The Members of
Shree Pacetronix Limited

1. We have audited the attached Balance sheet of Shree Pacetronix Limited, as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:-
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (iv) in our Opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (v) on the basis of written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 and,
 - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011; and
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and,
 - c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For: S.R. NAREDI & CO.
Chartered Accountants
Firm Reg. No. 002818C
(CA S.R. Naredi)
Proprietor
Membership No. 72014

Place: INDORE
Date : 29th August 2011

ANNEXURE TO THE AUDITORS' REPORT**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011 OF SHREE PACETRONIX LIMITED.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:-

- (i) In respect of its fixed assets:
 - a. The company has generally 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 which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
 - a. As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are found reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and as explained to us there were no material discrepancies noticed on physical verification between the physical stock and the book records.
- (iii) a. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii)(b), (c) and (d) of the Order, are not applicable.

- b. The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As the company has not taken any loans, secured or unsecured, from parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii)(f) and (g) of the Order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal control systems of the Companies.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956:
- a. In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public with in the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed there under.
- (vii) In our opinion, the internal audit system of the Company commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) a. According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of the statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- c. On the basis of our examination of the documents and records, and the information and explanations given to us, the dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty and cess that 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 (Rs. in Lacs)	Period (Assessment Year)
1	Income Tax	Tribunal	1.35	2003-04
2	Income Tax	Tribunal	1.45	2004-05

- (x) The Company does not have accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions or from debentures holders.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to information given to us, the term loans have been applied for the purpose for which they were raised
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term application.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) As the Company has not issued any debentures. Accordingly the provisions of clause (xix) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us and to the best of our knowledge and belief, no material fraud on or by the Company has been noticed or reported during the year.

PLACE : INDORE

DATE : 29th August 2011

For: S.R.Naredi & Co.
Chartered Accountants
Registration No. 002818C
(CA. S. R. Naredi)
Proprietor
Membership No. 72014

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	SCHEDULE No.	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<u>SOURCES OF FUNDS</u>			
A SHARE HOLDERS' FUNDS			
Share Capital	A	35994000	35994000
Reserves & Surplus	B	15412596	17675146
		51406596	53669146
B LOAN FUNDS			
Secured Loans	C	29688743	31663287
Unsecured Loans	D	1520899	1150188
		31209642	32813475
C DEFERRED TAX LIABILITIES (NET)		198720	1105667
(Refer Note 9)		82814958	87588288
<u>APPLICATION OF FUNDS</u>			
A FIXED ASSETS	E		
Gross Block		82410962	76621970
Less: Depreciation and Amortisation		41725665	37100744
Net Block		40685297	39521226
B INVESTMENTS	F	8000000	8000000
C CURRENT ASSETS, LOANS & ADVANCES			
Inventories	G	16995939	18804690
Sundry Debtors	H	13237080	17787068
Cash & Bank Balances	I	6528523	6085053
Loans & Advances	J	5692721	6433413
		42454263	49110224
Less: Current Liabilities & Provisions	K	8324602	9043162
		34129661	40067062
		82814958	87588288
NOTES ON ACCOUNTS	U		

As per our report of even date attached
For S. R. NAREDI & CO.
Chartered Accountants

(S. R. Naredi)
Proprietor

PLACE : INDORE
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE No.	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Sales	L	55543530	59550725
Other Income	M	528142	1117146
Increase (+) / Decrease (-) in Stock	N	1468636	-622276
		<u>57540308</u>	<u>60045595</u>
EXPENDITURE			
Material Cost	O	20863046	20057800
Manufacturing Expenses	P	4284447	2923532
Employees Remuneration & Benefits	Q	14720682	15075894
Administrative Expenses	R	8020809	7575508
Selling & Distribution Expenses	S	5874314	4893201
Interest	T	3604859	3207811
Depreciation and Amortisation		4624921	3858396
		<u>61993078</u>	<u>57592142</u>
PROFIT FOR THE YEAR BEFORE TAX		-4452771	2453453
Add: Excess provision written back		1243054	-
PROFIT FOR THE YEAR		<u>-3209717</u>	<u>2453453</u>
Less: Provision for Taxation			
Income Tax		-40220	964020
Fringe Benefit Tax		-	87212
Add Deferred Tax		906947	165507
PROFIT FOR THE YEAR AFTER TAX		<u>-2262549</u>	<u>1567728</u>
Balance brought forward from last year		11502038	9934310
BALANCE CARRIED TO BALANCE SHEET		<u>9239488</u>	<u>11502038</u>
NOTES ON ACCOUNTS	U		
Weighted Average Number of Equity Shares		3599400	3599400
Face Value per Equity Share		10	10
BASIC & DILUTED EARNINGS PER SHARE (EPS)		-0.63	0.44

As per our report of even date attached
For **S. R. NAREDI & CO.**
Chartered Accountants

(CA. S. R. Naredi)
Proprietor

PLACE : INDORE
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2011	31.03.2010
SCHEDULE : A : SHARE CAPITAL		
AUTHORISED		
50,00,000 Equity Shares of Rs. 10/- each (Previous Year 50,00,000 Equity shares of Rs. 10/- each)	50000000	50000000
ISSUED, SUBSCRIBED AND PAID UP		
3599400 Equity Shares of Rs. 10/- fully paid up (Previous Year 3599400 Equity shares of Rs.10/-fully paid up)	35994000	35994000
TOTAL	35994000	35994000
SCHEDULE : B : RESERVES & SURPLUS		
CAPITAL RESERVE		
Capital Subsidy	1500000	1500000
Securities Premium	4673108	4673108
Surplus as per Profit & Loss Account Annexed	9239488	11502038
TOTAL	15412596	17675146
SCHEDULE : C : SECURED LOANS		
A. TERM LOAN		
ICICI Bank Car Loan (Refer Note 3(i))	175784	267994
HDFC Bank Car Loan (Refer Note 3(ii))	639805	1123338
Bank of India (Refer Note 3(iii))	10192239	10532533
B. WORKING CAPITAL LOAN		
Bank of India - Cash Credit (Refer Note 3(iv))	18680916	19739422
TOTAL	29688743	31663287
SCHEDULE : D : UNSECURED LOANS		
ICICI Bank Ltd, Indore	1520899	1150188
TOTAL	1520899	1150188
SCHEDULE : F : INVESTMENTS (AT COST)		
I. Long Term Investments		
a. Investment in shares of Subsidiary Company (unquoted) 8,00,000 fully paid-up equity shares of Rs.10/- each of Shree Coratomic Ltd	8000000	8000000
TOTAL	8000000	8000000
SCHEDULE : G : INVENTORIES		
Raw Materials	6396606	9673993
Stock In Process	3870000	2442880
Finished Goods	5919033	6254843
Traded Goods	810300	432974
TOTAL	16995939	18804690
SCHEDULE : H : SUNDRY DEBTORS		
(Unsecured, Considered good)		
Exceeding Six Months	1843778	1602278
Others	11393302	16184790
TOTAL	13237080	17787068
SCHEDULE : I : CASH & BANK BALANCES		
Cash in Hand	640184	353594
Balance with Banks		
In Fixed Deposits Accounts	4768950	4590996
Accrued Interest on FDR	670919	689574
Bank of India - Dividend Account	448470	450889
TOTAL	6528523	6085053

SCHEDULE : E : FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As on 31.03.2010	Additions	Deductions	As on 31.03.2011	Up to 31.03.2010	For the Year	Written Back	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
<u>A. FIXED ASSETS</u>										
LEASE HOLD LAND ,	193350			193350					193350	193350
BUILDINGS	9850611	1690966		11541577	5286800	494299		5781099	5760478	4563811
PLANT & MACHINERIES	32480623	6559093		39039716	21100171	2244225		23344396	15695320	11380452
FURNITURE & FIXTURES	3276969	58416		3335385	2425126	159521		2584647	750738	851843
VEHICLES	6000800			6000800	3135598	741801		3877399	2123401	2865202
OFFICE EQUIPMENTS	1155456	73450		1228906	733012	67178		800190	428716	422444
COMPUTERS	2649699	76152		2725851	2268507	161305		2429812	296039	381192
INTANGIBLE ASSETS	7565940			7565940	1906138	756594		2662732	4903208	5659802
TEMPORARY SHED	245392			245392	245392			245392		
<u>B. CAPITAL WORK IN PROGRESS</u>	13203130	3412200	6081285	10534045					10534045	13203130
TOTAL	76621970	11870277	6081285	82410962	37100744	4624921		41725665	40685297	39521226
PREVIOUS YEAR	65720948	15789302	4888280	76621970	34460876	3858396	1218528	37100744	39521226	31260072

SCHEDULES TO THE ACCOUNTS

	31.03.2011	31.03.2010
<u>SCHEDULE : J : LOANS & ADVANCES</u>		
(Unsecured, Considered good)		
Advance recoverable in cash or in kind or for value to be received	5692721	6433413
TOTAL	5692721	6433413
<u>SCHEDULE : K : CURRENT LIABILITIES & PROVISIONS</u>		
(A) <u>CURRENT LIABILITIES</u>		
Sundry Creditors (Refer Note 4)		
Due to micro, small and medium enterprises	257228	2738
Other creditors	6575381	5272662
Unclaimed Dividend	448470	450889
(B) <u>PROVISIONS</u>		
Provision for Taxation	—	935600
Provision for Gratuity	1043523	2381273
TOTAL	8324602	9043162
<u>SCHEDULE : L : SALES</u>		
Sales	55543530	59550725
Add: VAT on Sales	2264211	2426882
	57807741	61977607
Less : VAT / Sales Tax Paid	1997821	2302383
VAT on Purchase	266390	124499
TOTAL	55543530	59550725
<u>SCHEDULE : M : OTHER INCOME</u>		
Interest Received from bank & others	391121	416593
(TDS Rs. 41735/- (Previous Year Rs. 40025/-)		
Foreign Exchange Fluctuations	65091	415282
Profit on Sale of Fixed Assets	—	248823
Other Income	71930	36448
TOTAL	528142	1117146
<u>SCHEDULE : N : INCREASE (+) / DECREASE (-) IN STOCK</u>		
Opening Stock		
Finished Goods	6254843	7354620
Stock in Process	2442880	1976249
Traded Goods	432974	422104
TOTAL	9130697	9752973
Closing Stock		
Finished Goods	5919033	6254843
Stock in Process	3870000	2442880
Traded Goods	810300	432974
TOTAL	10599333	9130697
INCREASE(+)/DECREASE(-) IN STOCK	1468636	-622276
<u>SCHEDULE : O : MATERIAL COST</u>		
(i) <u>Raw Materials Consumed</u>		
Opening Stock	9673993	10983253
Add : Purchases	16250359	18382099
	25924352	29365352
Less: Closing Stock	6396606	9673993
Raw Materials Consumed	19527746	19691359
(ii) <u>Traded Goods</u>		
Purchases	1335300	366441
TOTAL (i + ii)	20863046	20057800
<u>SCHEDULE : P : MANUFACTURING EXPENSES</u>		
Consumables, Stores & Spares	171725	72894
Power & Fuel Expenses	710803	728790
Water Charges	14500	21958

SCHEDULES TO THE ACCOUNTS

	31.03.2011	31.03.2010
Repairs to Plant & Machinery	249213	154999
Laboratory Expenses	256164	155299
Repair & Maintenance	365031	248914
Job Work & Labour Charges	589611	433507
Entry Tax	161010	215390
Freight Inward	248621	178507
Repairs to Buildings	308643	240429
Lease Rent & Development Charges	13000	14407
Insurance	48428	49976
Fees for Technical Services	1147698	408462
TOTAL	4284447	2923532
<u>SCHEDULE : Q : EMPLOYEES REMUNERATION. & BENEFITS</u>		
Salaries, Wages, Bonus etc (Refer Note 11)	14004836	14464657
Staff Welfare Expenses	129820	153876
Contribution to Provident and other funds	586026	457361
TOTAL	14720682	15075894
<u>SCHEDULE : R : ADMINISTRATIVE EXPENSES</u>		
Travelling Expenses	3136790	3053207
Telephone & Fax Charges	243200	284397
Legal & Professional Charges	810968	849382
Conveyance	91565	95142
Misc. Expenses	465501	325389
Courier & Postage Charges	99289	57473
Rent	920200	892842
Rates & Taxes	24540	11547
Printing & Stationery	487161	366408
Vehicles Running & Maintenance Exp	627598	550227
Auditor's Remuneration	163500	202500
Bank Charges	690544	489021
VAT and Sales Tax	259953	397973
TOTAL	8020809	7575508
<u>SCHEDULE : S : SELLING & DISTRIBUTION EXPENSES</u>		
Packing Material	129315	125773
Advertisement Expenses	78748	85762
Selling & Business Promotion Expenses	2144747	1768883
Commission	117590	626380
Conference Expenses	1100125	151700
Implantation Charges	1667000	1406823
I S O Expenses	16545	198432
Royalty	161667	241088
Freight Outward	458577	288360
TOTAL	5874314	4893201
<u>SCHEDULE : T : INTEREST</u>		
Interest on Term Loan	618617	193637
Interest on TDS	14904	12798
Interest-others	2971338	3001376
TOTAL	3604859	3207811

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

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

PLACE : INDORE
DATE : 29th August 2011

SCHEDULE : U : NOTES ON ACCOUNTS

Annexed to and forming part of the Accounts for the year ended 31st March 2011

1. Significant Accounting Policies :**A. Basis of preparation of Financial Statements:**

The financial statements are prepared under historical cost convention as going concern and are consistent with generally accepted accounting principles and provisions of the Companies Act 1956, on an accrual basis unless otherwise stated.

B. Use of Estimates :

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

C. Fixed Assets :

Fixed assets are stated at cost (net of VAT of which credit is allowed) less accumulated depreciation and impairment, if any. All Costs, including financing costs and direct expenses incurred to bring the assets in present location and condition till commencement of commercial production attributable to the fixed assets are capitalized. Work in Progress comprises outstanding advances paid to acquire fixed assets that are not ready for intended use at Balance Sheet date.

D. Intangible assets

Intangible asset are stated at cost of acquisition less accumulated amortization and impairment, if any. Technical know-how has been amortized over the period of ten years. Amortization is done on straight line basis.

E. Depreciation / Amortization :

- (i) Depreciation on fixed assets are provided on W D V Method at the rates and in the manner as prescribed in schedule XIV of the Companies Act, 1956.
- (ii) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.
- (iii) Technical know-how has been amortized over the period of ten years. Amortization is done on straight line basis.

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 :

- 1) Transactions denominated in foreign currency are normally recorded at the exchange rates prevailing on the date of transaction.
- 2) Monetary assets and liabilities denominated in foreign currency are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date.
- 3) Non monetary foreign currency assets and liabilities measured at historical cost are translated at exchange rate prevalent at date of transaction.
- 4) Any income or expenses on account of exchange difference on translation is recognized in the profit and loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in that case they are adjusted to the carrying cost of such assets.

H. Investments :

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

I. Inventories :

Inventory is measured at lower of cost or net realizable value after providing for obsolescence, if any. Accordingly, the valuation criteria for inventory valuation during the year are as follows:

- (i) Raw Materials : At cost or net realizable value whichever is lower
- (ii) Finished Goods : At cost or net realizable value whichever is lower
- (iii) Stock in Process : At cost including related overheads or net realizable value whichever is lower.

Costs comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is "First-in-First-out". Cost of work in progress and finished goods is determined on absorption costing method.

J. Revenue Recognition / Sales :

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 .

K. Employees benefits :

- 1) Short term employees' contributions like Provident Fund, Employees State Insurance Scheme are charged off at the undiscounted amount in the Profit and loss account of that year in which the related services are rendered.
- 2) 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 10.44 Lacs remains outstanding which is computed based on Projected Unit Credit Method and company made provision of Rs 1.65 Lacs during the year.

L. Borrowing Cost :

Borrowing Costs 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.

M. Provision for Tax :

Provision for current tax has not made under the provisions of the Income Tax Act, 1961, considering loss for the current year. 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.

N. 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.

O. Earning Per Share :

Basic earning per share is 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 shares and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity share.

Particulars	2011	2010
Net Profit for the year after tax	-2262549	1567728
Amount Available to Equity Shareholders	-2262549	1567728
Weighted Average no. of shares	3599400	3599400
Earning per share-Basic & Diluted	-0.63	0.44
Face value per equity share	10	10

- In the opinion of the Board, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which these are stated above and the provisions for known liabilities is adequate and not in excess of the amount considered reasonable and necessary.
- Security of Loans
 - Term loan from ICICI bank is secured by hypothecation of car.
 - Term loan from HDFC bank is secured by hypothecation of car.
 - Term loan from Bank of India is secured by hypothecation of Plant and Machinery. It is 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.
- (iv) Cash Credit.
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 etc. and book debts both present and future. Further secured by extension of 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.
- The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and/or interest and accordingly no additional disclosures have been made
- Sundry Debtors includes Rs.25.62lacs (Previous Year Rs.23.35 lacs) due from the subsidiary company Shree Coratomic Limited.
- Segment Reporting :**

A. PRIMARY SEGMENTS

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 SEGMENTS

Particulars	India	Rest of the world	Total
1.Segment Revenue	51098376 (55404048)	4973296 (5263823)	56071672 (60667871)
2.Carrying cost of Segment assets	90505763 (88548205)	633797 (8083246)	91139560 (96631451)
3.Addition to Fixed Assets	5788992 (10901022)	Nil (Nil)	5788992 (10901022)

(Previous year figures are in brackets)

7 Related Party disclosures :

Disclosures as required by the Accounting Standard – 18 'Related Party Disclosures' are given below:-

- I. Relationship Name of the related party
- a. Subsidiary Company : Shree Coratomic Ltd.
- b. Key Management Personnel
- Shri Atul Kumar Sethi : Managing Director
- Smt. Amita Sethi : Whole time Director
- Shri Sushil Patni : Director
- c. Other related parties where control exist : NIL
- d. Relatives of Key Management personnel : Smt. Heera Sethi.
and their enterprises where transactions
have taken place

NOTE : Related party relationship is as identified by the company and relied upon by the Auditors

II. Transactions carried out with related parties referred in I above in ordinary course of business:-

Nature of Transactions	Related Parties			
	Referred in I (a) Above	Referred in I (b) Above	Referred in I (c) Above	Referred in I (d) Above
1. Sale of Goods / Fixed Assets (excluding VAT)	6512373 (5805115)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2. Rent	Nil (Nil)	660000 (420000)	Nil (Nil)	120000 (420000)
3. Remuneration	Nil (Nil)	3288000 (3288000)	Nil (Nil)	Nil (160000)
4. Receivable	2562178 (2334953)	Nil (Nil)	Nil (Nil)	Nil (Nil)

(Previous year figures are in brackets)

8 Payment to Auditors

(Rs in Lacs)

Particulars	As At 31.03.2011	As At 31.03.2010
I For services as Auditors	0.51	0.51
ii For Tax Audit	0.05	0.05
iii For Other Services	1.08	1.47

9. The Company has accounted for Deferred Tax Assets and Liabilities in accordance with the Accounting Standard - 22 "Accounting for taxes on Income". Accordingly Deferred Tax Liabilities and Assets are as under :-

Particulars	As At 31.03.2011	As At 31.03.2010
Deferred Tax Liabilities On account of Depreciation	2137645	1841480
Deferred Tax Assets on account of Accrued Expenses deductible on payment basis, unabsorbed depreciation.	1938925	735813
Net deferred Tax Liabilities	198720	1105667

10 Quantitative & Other information.

A. Licensed & Installed Capacity and Production	Licensed Capacity Per annum	Installed* Capacity per annum	Production Per annum
1. Pacemaker (in Nos)	4800 (4800)	4800 (4800)	1949 (2048)

(Previous year figures are in brackets)

* As Certified By the Management

		<u>Quantity (in Nos)</u>		<u>Value(Rs.in Lacs)</u>	
		<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
B.	Opening Stock				
	(a) Pacemaker	211	270	62.55	73.55
	(b) Others	-	-	4.33	4.22
C.	Purchases (Net) of Traded Goods				
	(a) Pacemaker	-	-	-	-
	(b) Others	-	-	13.35	3.66
D.	Turnover of Goods produces / Purchased				
	(a) Pacemaker	1948	2107	548.69	591.98
	(b) Others	-	-	6.75	3.53
E.	Closing Stock				
	(a) Pacemaker	212	211	59.19	62.55
	(b) Others	-	-	8.10	4.33
F.	RAW MATERIALS CONSUMED :			195.28	196.92
G.	Imported and Indigenous Consumption :				
	Imported			154.71	161.44
	(in %)			79.22%	81.98%
	Indigenous			40.57	35.48
	(in %)			20.78%	18.02%
H.	C I F Value of Imports during the year				
	Raw Materials.			127.01	136.27
	Traded Goods			0.00	3.66
	Fixed Assets			5.97	66.34
I.	Expenditure in Foreign Currency				
	Fees for Technical Services			4.39	4.08
	Others			0.00	8.56
	Royalty			1.62	2.41
J.	Remittance in Foreign Currency on account of dividends			-	-
K.	Earnings in Foreign Exchange.				
	Export of Goods			49.73	52.64
11	Managerial Remuneration				
	Managing Director			24.00	24.00
	Whole time Director			6.00	6.00
	Contribution to P.F.			2.88	2.88
12	Contingent liabilities not provided for in respect of :-				
	a) Guarantee given by Banks			64.60	64.60
	b) Disputed demands of Income-Tax			2.80	19.19
13	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances).			16.70	122.67
14	Previous year figures have been regrouped/rearranged wherever necessary to make them comparable with current year.				
15	The figures have been rounded off to the nearest rupee.				

As per our report of even date attached
For **S. R. NAREDI & CO.**
Chartered Accountants

(S. R. Naredi)
Proprietor

PLACE : INDORE
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1	Registration Details	:	
	Registration No.	:	04317 of 1988
	State Code	:	10
	Balance Sheet Date	:	31 st March, 2011
2	Capital raised during the year		(Rs. in Thousands)
	Public Issue	: NIL	Right Issue : NIL
	Bonus Issue	: NIL	Promoters & their Friends & Relatives : NIL
3	Position of Mobilisation and deployments of Funds.		(Rs. in Thousands)
	Total Liabilities	:	82814.958
	Total Assets	:	82814.958
	SOURCES OF FUNDS		
	Paid-up Capital	:	35994.000
	Reserves & Surplus	:	15412.596
	Secured Loans	:	29688.743
	Unsecured Loans	:	1520.899
	Deferred Tax Liabilities (Net)	:	198.720
	APPLICATION OF FUNDS		
	Net Fixed Assets	:	40685.297
	Investment	:	8000.000
	Net Current Assets	:	34129.661
	Misc Expenditure	:	--
4	Performance of Company :		(Rs. in Thousands)
	Turnover	:	57540.308
	Total Expenditure	:	60750.024
	Profit Before Tax	:	-3209.717
	Profit After Tax	:	-2262.549
	Earning Per Share (in Rs.)	:	-0.63
	Dividends Rate (in %)	:	-
5	Generic Names of Three Principal Products/Services of Company		
	Item Code No. (ITC Code)	:	--
	Product Description	:	Pacemaker

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

PLACE : Indore
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in lacs)

	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items as per profit & loss account	-44.53	24.53
Add(+) / Deduct(-)		
Depreciation	46.25	38.58
Interest Income	-3.91	-4.17
Profit on sale of assets	—	-2.49
Excess Provision written back	12.43	
Interest	36.05	32.08
Operating Cash Profit before working capital changes	46.29	88.53
Add(+) / Deduct(-)		
Trade & other Receivable	52.91	-74.53
Inventories	18.09	19.32
Trade Payable & other liabilities	2.17	-14.82
	73.16	-70.03
Cash Generation from Operations	119.45	18.50
Deduct (-) Direct Taxes Paid	-8.95	-1.74
	-8.95	-1.74
NET CASH FROM OPERATING ACTIVITIES	110.50	16.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Inflow / outflow (-)		
Sale of Fixed assets		5.26
Purchase of Assets	-57.89	-123.97
Interest Recd	3.91	4.17
NET CASH FROM INVESTING ACTIVITIES	-53.98	-114.54
C. CASH FLOW FROM FINANCING ACTIVITIES		
Inflow / outflow (-)		
Proceeds from Long Term Borrowings (Net)	-9.16	96.67
Proceeds from Short Term Borrowings (Net)	-6.88	35.23
Interest Paid	-36.05	-32.08
NET CASH FROM FINANCING ACTIVITIES	-52.09	99.82
NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)	4.44	2.04
ADD: BALANCE AT THE BEGINING OF THE YEAR	60.85	58.81
CASH /CASH EQUIVALENTS AT END OF THE YEAR	65.29	60.85

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

PLACE : Indore
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO HOLDING COMPANY'S INTEREST IN SUBSIDIARY COMPANY**

Name of Subsidiary Company		: SHREE CORATOMIC LIMITED
1.	The Financial Year of the Subsidiary Company Ended on	: 31 st March 2011
2.	Date from which they became subsidiary Company	: 04-01-1995
3.	[a] Number of Shares Held by M/s Shree Pacetronix Ltd, with its nominees in the subsidiary at the end of the Financial year of the Subsidiary Company fully paid up.	: 8,00,000 Equity Shares of Rs10/- each
	[b] Extent of interest of Holding Company at the end of the Financial Year of the Subsidiary Company	: 99.91%
4.	The net aggregate amount of the subsidiary company's Profit / (Loss) so far as it concerns the members of the holding company and	
	[a] Not dealt with in the Holding Company's accounts	
	(i) For the Financial Year ended 31st March 2011	: Rs. (-) 65418
	(ii) For the previous financial year since it became subsidiary	: Rs. (-) 688350
	[b] Dealt with in Holding Company's accounts	
	(i) For the Financial Year ended 31st March 2011	: N I L
	(ii) For the previous financial year since it became subsidiary	: N I L
5.	As the financial year of the above subsidiary company coincide with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956 is not applicable	

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

PLACE : Indore
DATE : 29th August 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Managing Director

AMITA SETHI
Whole time Director

SUSHIL PATNI
Director

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of the Company will be held on Thursday, 29th September, 2011 at 10:00 a.m at the Registered Office of the Company to transact the following Business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2011 the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director, in place of Mr. Sushil Kumar Patni who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order of the board of
SHREE CORATOMIC LIMITED**

Place: Indore

Date: 29th August, 2011

**ATUL K. SETHI
CHAIRMAN**

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING
2. 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.

DIRECTORS REPORT

To the Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report of your Company along with the Audited Accounts of the Company for the year ended 31st March, 2011.

State of Company's Affairs :

A. FINANCIAL RESULTS

Particulars	(Amount in Thousand)	
	2010-2011	2009-2010
Total Sales	8083.72	7208.09
Profit before Depreciation & Interest	829.95	378.09
Less : Depreciation	841.00	863.02
Profit/Loss for the year before Tax	(-) 94.67	(-) 540.58
Less : Provision for Taxation		
Current Tax	0.00	0.00
Fringe Benefit Tax	0.00	83.33
Deferred Tax	29.25	167.03
Net Profit/Loss for the year	(-) 65.41	(-) 456.87
Add : Balance Brought Forward	(-) 688.35	(-) 231.48
Balance Carried to Balance sheet	(-) 753.77	(-) 688.35

B. Operational performance and Future Outlook

During the year your director are happy to report that the profit of the Company is very fruitful as Comparison to last year and your Directors are continuously working hard to very brightful future of the Company in the coming year The operating and financial performance of your company during the year under review has been satisfactory

C. Dividend

Your directors do not recommend any dividend for the year due to inadequacy of profits.

Public Deposits:

The Company has not accepted or invited any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, during the year under review.

Directorate :

Shri Shushil Kumar Patni retires by rotation and offers himself for re-appointment. There has been no change in the office of directorship during the year under review.

Auditors :

M/s. S. R Naredi & Co., Chartered Accountants, statutory auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as statutory auditors of the Company. The auditors' report read with notes to accounts is self explanatory and needs no further clarification.

Directors' Responsibility Statement :

As per Section 217(2AA) of the Companies Act, 1956, Directors hereby state as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that 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 ended March 31, 2011 and of the profit of the company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a going concern basis.

Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo:**

The provisions of Energy Conservation in terms of Section 217(1) (e) of the Companies Act, 1956, are not applicable to the company and during the year under review, there was no inflow and outflow of foreign exchange.

Statutory Particulars :

None of the employees of the Company was in receipt of remuneration in excess of limits prescribed Under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

Secretarial Compliance Certificate:

Your Directors have obtained a Compliance Certificate from a Practicing Company Secretary, pursuant to Rule 3 of Companies (Compliance Certificate) Rules, 2001 and have annexed the same with this report.

Acknowledgements:

Your Directors place on record their sincere appreciation for the guidance, assistance and co-operation received from all the stakeholders in your Company including all appropriate statutory authorities, private entrepreneurs and banks along with the devoted performance of the employees of the Company with all levels.

PLACE : Indore
DATE : 29th August, 2011

For and on behalf of board of
SHREE CORATOMIC LIMITED

ATUL KUMAR SETHI
CHAIRMAN

COMPLIANCE CERTIFICATE
[Rule 3 of Companies (Compliance Certificate) Rules, 2001]

CIN of the Company – U33112MP1995PLC008917

Authorized Capital: Rs. 2,00,00,000/-

Paid-up Capital : Rs. 80,07,000/-

To,

The Members,

Shree Coratomic Limited

I have examined the registers, records, books and papers of Shree Coratomic Limited ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its directors and officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met Four times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company being a closely held public limited company has opted not to close its Register of Member under the option given under Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 29th September 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. The Company has not held any Extra-ordinary General Meeting during the Financial under review
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into contracts in contravention of the provisions of section 297 of the Act.
10. The Company has complied with the provisions relating to register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has
 - i) Not required to deliver any certificate of securities on lodgment thereof any transfer/ transmission or any other purpose in accordance with the provision of the Act.
 - ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) Not posted warrants to any member of the Company as no dividend declared during the financial year.
 - iv) was not required to transfer any amount to the Investor Education & Protection Fund as there was no amount due for transfer to the above said account relating to unpaid dividend, application money due for refund, matured deposits, matured debentures and interest accrued thereon as remain unpaid or unclaimed for a period of Seven years.
14. The Board of directors of the Company is duly constituted and there was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has not appointed any managing director/whole-time director/manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has not been required to obtain any approval of the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Share/ Debenture/ other Securities during the financial year.
20. The Company has not bought back any shares during the financial year
21. The Company has no preference shares or debentures.
22. The Company has not declared dividend nor has issued any rights shares and bonus shares.

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not borrowed any amount during the financial year ending 31st March 2010 and no resolution has been required to be passed under the provision of Section 293(1) (d) of the Act.
25. The Company has not made any loans and investment made or guarantee given or securities provide to other body corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provision of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company is not required to deposit contribution to Provident Fund hence; the provisions of Section 418 are not applicable.

Annexure A

Registers as maintained by the Company

1. Register of Share Transfers
2. Register of Charges under Section 143.
3. Register of Members under Section 150.
4. Registers & Returns kept at the Registered Office viz Annual Returns under Section 163
5. Minutes Book of Board Meeting under Section 193.
6. Books of Accounts under Section 209
7. Register of Contracts under Section 301

PLACE : INDORE
DATE : 29.08.2011

Signature :
Name of the Company Secretary : **ASHISH GARG**
FCS 5181 CP 4423

8. Register of Directors, Managing Director, Managing and Secretary under Section 303
9. Register of Director's Shareholdings under Section 307
10. Register of Director Attendances.
11. Register of loans and Investments.

Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2010.

Sr. No.	Form No./Return	Filed under section	For	Date of filing	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional fees paid (Yes/No)
1.	Balance Sheet	Sec. 220	As on 31.03.2009	07.10.2010	Yes	No.
2.	Annual Return	Sec. 159	AGM held on 29.09.2010	07.10.2010	Yes	No.
3.	Compliance Certificate	Sec.383 A.	For the Financial year ended 31.03.2010	25.10.2009	Yes	No.

PLACE : INDORE
DATE : 29.08.2011

Signature :
Name of the Company Secretary : **ASHISH GARG**
FCS 5181 CP 4423

AUDITORS' REPORT

To
The Members of
Shree Coratomic Limited

1. We have audited the attached Balance sheet of Shree Coratomic Ltd., as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :-
 - i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. in our Opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011,
 - b. in the case of the Profit and Loss Account, of the Loss for the year ended on that date and
 - c. in the case of the Cash Flow Statement of the cash flow for the year ended on that date.

As per our report of even date attached

For S. R. NAREDI & CO.
Chartered Accountants

PLACE : Indore
DATE : 29th August, 2011

(S. R. Naredi)
Proprietor
Membership No. 72014

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2011 OF SHREE CORATOMIC LIMITED.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:-

- (i) In respect of its fixed assets:
 - a. The company has generally 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 which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (ii) In respect of its inventories:
 - a. As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are found reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and as explained to us there were no material discrepancies noticed on physical verification.
- (iii)
 - a. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii)(b), (c) and (d) of the Order, are not applicable.
 - b. The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As the company has not taken any loans, secured or unsecured, from parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii)(f) and (g) of the Order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal control systems of the Company.
- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public with in the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed there under.
- (vii) In our opinion, the internal audit system of the Company commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix)
 - a. According to the information and explanation given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

- b. According to the information and explanation given to us, no undisputed amounts payable in respect of the statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- c. On the basis of our examination of the documents and records, and the information and explanations given to us, there are no dues in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty and cess that have not been deposited with the appropriate authorities on account of dispute.
- (x) The company has accumulated losses at the end of the financial year, but the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company does not have any borrowings from financial institutions or from debentures holders.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken any Term loan therefore the provisions of clause (xvi) of paragraph 4 of the Companies (Auditors' report) order 2003 are not applicable to the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term application.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) As the Company has not issued any debentures. Accordingly the provisions of clause (xix) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xoi) According to the information and explanations given to us and to the best of our knowledge and belief, no material fraud on or by the Company has been noticed or reported during the year.

For **S. R. NAREDI & CO.**
Chartered Accountants
(Firm Reg. No.02818C)

PLACE : INDORE
DATE : 29th August, 2011

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

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE No.	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<u>SOURCES OF FUNDS</u>			
A SHARE HOLDERS' FUNDS			
Share Capital	A	8007000	8007000
Reserves and Surplus		---	---
		8007000	8078693
B LOAN FUNDS			
Secured Loans		---	---
Unsecured Loans	B	34612	558091
		34612	558091
		8041612	8565091
<u>APPLICATION OF FUNDS</u>			
A FIXED ASSETS	C		
Gross Block		8689787	8689787
Less: Depreciation/Amortisation		3051898	2210907
Net Block		5637889	6478880
B. DEFERRED TAX ASSETS (Refer Note 6)		333891	304640
C CURRENT ASSETS, LOANS & ADVANCES			
Inventories		400000	
Sundry Debtors	D	2680792	1996448
Cash & Bank Balances	E	32456	992932
Loans & Advances	F	816059	468955
		3929307	3458335
Less: Current Liabilities & Provisions	G	2613243	2365114
		1316064	1093221
D MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		---	---
E PROFIT & LOSS ACCOUNTS		753768	688350
		8041612	8565091
NOTES ON ACCOUNTS	P		

As per our report of even date attached
For S. R. NAREDI & CO.
Chartered Accountants

For and on behalf of Board of Directors

(S. R. Naredi)
Proprietor

PLACE : INDORE

DATE : 29th August, 2011

ATUL KUMAR SETHI
Director

AMITA SETHI
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE No.	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME			
Sales	H	8083717	7208086
Other Income	I	12840	7000
Increase (+) / Decrease (-) in Stock	J	400000	--
TOTAL		8496557	7215086
EXPENDITURE			
Purchases	K	6550323	5844035
Employees Remuneration & Benefits	L	78462	74864
Administrative Expenses	M	296277	221741
Selling & Distribution Expenses	N	741545	690795
Interest	O	83628	55644
Depreciation & Amortisation		840991	863023
Preliminary Expenses W/off		--	5560
TOTAL		8591226	7755663
PROFIT (+)/LOSS (-) FOR THE YEAR BEFORE TAX		-94669	-540577
Less: Fringe Benefit Tax		--	83331
Add(+)/Less (-) Deferred Tax		29251	167039
PROFIT (+)/LOSS (-) FOR THE YEAR AFTER TAX		-65418	-456869
BALANCE BROUGHT FORWARD FROM LAST YEAR		-688350	-231481
BALANCE CARRIED TO BALANCE SHEET		-753768	-688350
NOTES ON ACCOUNTS	P		
Weighted Average Number of Shares		800700	800700
Face Value per Equity Share		10	10
BASIC & DILUTED EARNINGS PER SHARE (EPS)		-0.08	-0.57

As per our report of even date attached
For S. R. NAREDI & CO.
Chartered Accountants

(S. R. Naredi)
Proprietor

PLACE : INDORE
DATE : 29th August, 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Director

AMITA SETHI
Director

SCHEDULES TO THE ACCOUNTS

	31.03.2011 Rs.	31.03.2010 Rs.
<u>SCHEDULE : A: SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
20,00,000 Equity Shares of Rs. 10/- each (Previous year 20,00,000 Equity shares of Rs. 10/- each)	20000000	20000000
<u>ISSUED, SUBSCRIBED AND PAID-UP</u>		
8,00,700 Equity Shares of Rs. 10/- (Previous Year 8,00,700 Equity shares of Rs.10/-each)	8007000	8007000
TOTAL	8007000	8007000
<u>SCHEDULE : B: UNSECURED LOANS</u>		
ICICI Bank, Indore	34612	558091
TOTAL	34612	558091

SCHEDULE : C : FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	AS AT 31.03.10	ADDITIONS	AS AT 31.03.11	UP TO 31.03.10	FOR THE YEAR	UP TO 31.03.11	AS AT 31.03.11	AS AT 31.03.10
COMPUTERS	449593	-	449593	374928	29866	404794	44799	74665
FURNITURE & FIXTURES	127254	-	127254	97061	5465	102526	24728	30193
OFFICE EQUIPMENTS	112940	-	112940	72252	5660	77912	35028	40688
INTANGIBLE ASSETS	8000000	-	8000000	1666666	800000	2466666	5533334	6333334
TOTAL	8689787	-	8689787	2210907	840991	3051898	5637889	6478880
PREVIOUS YEAR	8689787	-	8689787	1347884	863023	2210907	6478880	7341903

SCHEDULE : D: SUNDRY DEBTORS

(Unsecured, considered good)

(a) Exceeding six months

(b) Others

	623547	510867
	2057245	1485581
TOTAL	2680792	1996448

SCHEDULE : E: CASH & BANK BALANCES

Cash in Hand

Balance with Banks in Current Accounts

F D R with Bank

Accrued Interest on FDR

	32456	863625
	---	110213
	---	19094
TOTAL	32456	992932

SCHEDULE : F: LOANS & ADVANCES

(Unsecured, Considered good)

Advance recoverable in cash or in kind or for value to be received

	816059	468955
TOTAL	816059	468955

SCHEDULE : G : CURRENT LIABILITIES & PROVISIONS

(A) CURRENT LIABILITIES

Sundry Creditors(Refer Note 3)

Due to micro, small and medium enterprises

Other creditors

(B) PROVISIONS

	2562178	2334953
	51065	30161
	---	---
TOTAL	2613243	2365114

SCHEDULES TO THE ACCOUNTS

	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE : H : SALES</u>		
SALES	8083717	7208086
VAT on Sales	332568	296509
TOTAL	8416285	7504595
Less : VAT on Purchase	262021	233765
VAT Paid	70547	62744
TOTAL	8083717	7208086
<u>SCHEDULE : I : OTHER INCOME</u>		
Interest Received	12840	7000
TOTAL	12840	7000
<u>SCHEDULE : J : INCREASE (+) / DECREASE (-) IN STOCK</u>		
Opening Stock	---	---
Traded Goods	---	---
Closing Stock	---	---
Traded Goods	400000	---
INCREASE (+) / DECREASE (-) IN STOCK	400000	---
<u>SCHEDULE : K : PURCHASE</u>		
Purchase	6550323	5844035
	6550323	5844035
<u>SCHEDULE : L : EMPLOYEES REMUNERATION & BENEFITS</u>		
Salaries, Wages, Bonus etc	75932	72432
Staff Welfare	2530	2432
TOTAL	78462	74864
<u>SCHEDULE : M : ADMINISTRATIVE EXPENSES</u>		
Travelling Expenses	4000	5213
Telephone & Mobile Expenses	5765	7213
Legal & Professional Expenses	57500	43050
Conveyance Expenses	7662	8216
Miscellaneous Expenses	101712	81886
Rates & Taxes	6875	3250
Printing & Stationery	2010	2315
Auditor's Remuneration(Refer Note 7)	29500	39500
Bank Charges	30253	31098
Donation	51000	--
TOTAL	296277	221741
<u>SCHEDULE : N : SELLING & DISTRIBUTION EXPENSES</u>		
Selling & Business Promotion Expenses	455500	408281
Implantation Charges	272750	248814
Advertisement	2800	1700
Conference Expenses	10495	32000
TOTAL	741545	690795
<u>SCHEDULE : O : INTEREST</u>		
Interest-others	83628	55644
TOTAL	83628	55644

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

PLACE : INDORE
 DATE : 29th August, 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
 Director

AMITA SETHI
 Director

SCHEDULE : P : NOTES ON ACCOUNTS

Annexure to and forming part of the Accounts for the year ended 31st March 2011

1. Significant Accounting Policies :**A. Basis of preparation of Financial Statements:**

The financial statements are prepared under historical cost conventions as going concern and are consistent with generally accepted accounting principles and provisions of the Companies Act 1956, on an accrual basis unless otherwise stated.

B. Use of Estimates :

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

C. Fixed Assets :

Fixed assets are stated at cost (net of VAT of which credit is allowable) less accumulated depreciation and impairment, if any. All Costs, including financing costs and direct expenses incurred to bring the assets in present location and condition till the assets are put to use and attributable to the fixed assets are capitalized.

D. Intangible assets

Intangible asset are stated at cost of acquisition less accumulated amortization and impairment, if any. Technical know-how has been amortized over the period of ten years. Amortization is done on straight line basis.

E. Depreciation / Amortization :

- (i) Depreciation on fixed assets is provided on W D V Method at the rates and in the manner as prescribed in schedule XIV of the Companies Act, 1956.
- (ii) Depreciation on fixed assets added/disposed off during the year is provided on pro-rata basis.
- (iii) Technical know-how has been amortized over the period of ten years. Amortization is done on straight line basis.

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. Taxation :

Provision for current tax has not been made considering loss for the current year. The deferred tax resulting from the 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.

H. Inventory:

Inventories are valued at lower of cost or net realizable value. Cost of inventory comprises of cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

I. Revenue Recognition / Sales :

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

J. Employee Benefits :

Provision for Gratuity and Leave encashment are not made, because no liability arises on this account.

K. 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 statement.

L. Earning Per Share :

Basic earning per share is 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 shares and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2. In the opinion of the Board, the current assets have a value on realization in the ordinary course of business at least equal to the amount at which these are stated above and the provisions for known liabilities is adequate and not in excess of the amount considered reasonable and necessary.
3. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and/or interest and accordingly on additional disclosures have been made

4. **Segment Reporting:**

As the company is engaged in only one segment namely 'Life saving devices' and there is no export turnover hence there is no segment wise information to report as per Accounting standard -17 "Segment reporting".

5. **Related Party disclosures:**

Disclosures as required by the Accounting Standard – 18 'Related Party Disclosures' are given below:

I. **Relationship**

- a. Holding Company : Shree Pacetronix Ltd
- b. Key Management Personnel
- Shri Atul Kumar Sethi : Director
- Smt. Amita Sethi : Director

NOTE : Related party relationship is as identified by the company and relied upon by the Auditors.

II. **Transactions carried out with related parties referred in I above in ordinary course of business:-**

Nature of Transactions	Related Parties	
	Referred in I (a) above	Referred in I (b) above
1. Purchases of Goods	6512373 (5805115)	Nil (Nil)
2. Payable	2562178 (2334953)	Nil (Nil)

(Previous Year figures are in Brackets)

6. The Company has accounted for Deferred Tax Assets and Liabilities in accordance with the Accounting Standard - 22 "Accounting for taxes on Income". Accordingly Deferred Tax Assets are as under :-

Particulars	As At 31.03.2011	As At 31.03.2010
Deferred Tax Liabilities On account of Depreciation & Amortization	802437	748366
Deferred Tax Assets On account of Losses	1136328	1053006
Net deferred Tax Assets	333891	304640

7. **Payment to auditor**

	<u>2010-11</u>	<u>2009-10</u>
Audit Fees	19500	19500
For Taxation Matters	10000	20000

8. Quantitative & Other information.

		<u>Quantity (In Nos)</u>		<u>Value (Rs.in Lacs)</u>	
		<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
A	<u>Purchase</u>				
	(a) Pacemaker*	289	241	65.50	58.44
B	<u>Turnover of Goods produces / Purchased</u>				
	(a) Pacemaker*	273	241	80.84	72.08
C	<u>Closing Stock</u>				
	(a) Pacemaker*	16	0	4.00	0

*Pacemakers include its Accessories.

- 9 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances).
NIL NIL
- 10 Contingent liabilities not provided for in respect of guarantee given by bank NIL 1.00 Lacs
11. Additional Information wherever applicable pursuant to para 3,4(c) and 4 (d) of part II of schedule VI of the Companies Act, 1956 is Nil except given above.
12. Previous year figures have been regrouped / rearranged wherever necessary to make them comparable with current year.
13. The figures have been rounded off to the nearest rupee.

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

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Director

AMITA SETHI
Director

PLACE : Indore
DATE : 29th August, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1	Registration Details		:	
	Registration No.	:	08917 of 1995	
	State Code	:	10	
	Balance Sheet Date	:	31 st March, 2011	
2	Capital raised during the year		(Rs. in Thousands)	
	Public Issue	: NIL	Right Issue : NIL	
	Bonus Issue	: NIL	Promoters & their Friends & Relatives : NIL	
3	Position of Mobilisation and deployments of Funds.		(Rs. in Thousands)	
	Total Liabilities	:	8041.612	
	Total Assets	:	8041.612	
	<u>SOURCES OF FUNDS</u>			
	Paid-up Capital	:	8007.000	
	Reserves & Surplus	:	--	
	Secured Loans	:	--	
	Unsecured Loans	:	34.612	
	<u>APPLICATION OF FUNDS</u>			
	Net Fixed Assets	:	5637.889	
	Investment	:	--	
	Net Current Assets	:	1316.064	
	Deferred Tax Assets	:	333.891	
	Misc Expenditure	:	--	
	Accumulated Losses	:	753.768	
4	Performance of Company :		(Rs. in Thousands)	
	Turnover	:	8496.557	
	Total Expenditure	:	8591.226	
	Profit Before Tax	:	-94.669	
	Profit After Tax	:	-65.418	
	Earning Per Share (in Rs.)	:	-0.08	
	Dividends Rate (in %)	:	--	
5	Generic Names of Three Principal Products/Services of Company			
	Item Code No. (ITC Code)	:	--	
	Product Description	:	Pacemaker	

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

PLACE : Indore
DATE : 29th August, 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Director

AMITA SETHI
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in lacs)

	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items as per profit & loss account	-0.95	-5.41
Add(+) / Deduct(-)		
Depreciation	8.41	8.63
Interest Income	-0.13	-0.07
Preliminary Expenses w/off	-	0.06
Interest	0.84	0.56
Operating Cash Profit before working capital changes	8.17	3.77
Add(+) / Deduct(-)		
Trade & other Receivable	-10.32	-1.61
Inventories	-4.00	
Trade Payable & other liabilities	2.48	4.61
	-11.84	3.00
Cash Generation from Operations	-3.67	6.77
Deduct (-) Direct Taxes Paid		0.28
NET CASH FROM OPERATING ACTIVITIES	-3.67	6.49
B. CASH FLOW FROM INVESTING ACTIVITIES		
Inflow / outflow (-)		
Interest Paid	0.13	0.07
NET CASH FROM INVESTING ACTIVITIES	0.13	0.07
C. CASH FLOW FROM FINANCING ACTIVITIES		
Inflow / outflow (-)		
Proceeds from Long Term Borrowings (Net)	-5.23	-1.97
Interest Paid	-0.84	-0.56
NET CASH FROM FINANCING ACTIVITIES	-6.07	-2.53
NET-INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)	-9.61	4.03
ADD: BALANCE AT THE BEGINING OF THE YEAR	9.93	5.90
CASH /CASH EQUIVALENTS AT END OF THE YEAR	0.32	9.93

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

PLACE : Indore
DATE : 29th August, 2011

For and on behalf of Board of Directors

ATUL KUMAR SETHI
Director

AMITA SETHI
Director

Shree Pacetronix Limited

Regd. Office : Plot No. 15, Sector II, Industrial Area, Pithampur, Distt. DHAR (M. P.) 454775

PROXY FORM**23rd Annual General Meeting**

R.R. No. _____

No. of Shares _____

I/We _____ of

_____ being a member / members of

SHREE PACETRONIX LIMITED holding _____ or dinary share(s) hereby appoint of

_____ or failing him or/

her _____ of _____ as

my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on 30th September, 2011 and to any adjourned meeting thereof.

As witnessed my/our hand(s) this _____ day of _____ 2011

Signature _____

Re. 1
Revenue
Stamp

Note : 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

Shree Pacetronix Limited

Regd. Office : Plot No. 15, Sector II, Industrial Area, Pithampur, Distt. DHAR (M. P.) 454775

ATTENDANCE SLIP**23rd Annual General Meeting on 30th September 2011**

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 23rd Annual General meeting of the company at the registered office of the company on 30th September, 2011.

(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.

Radiant Printer : 2538452

If undelivered please return to :

Shree Pacetronix Limitd

Plot No. 15, Sector II, Industrial Area, Pithampur, Dist. DHAR (M.P.)
Pin - 454775

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