

श्री

Shree Pacetronix Ltd.



Monday, 08<sup>th</sup> October 2018

To,  
General Manager-Listing  
BSE Limited,  
1<sup>ST</sup> Floor, New Trading Ring,  
P. J. Towers, Dalal Street,  
MUMBAI - 400 001

Script Code - 527005; ISIN - INE847D01010


Sub: Annual Report for the Financial Year 2017-2018 pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the Financial Year 2017-2018 duly approved and adopted by the Members of the Company as per provisions of the Companies Act, 2013.

Kindly take the same in your records.

Thanking You  
Yours faithfully  
For Shree Pacetronix Limited

  
Vikas Gokhale  
Whole-time Director  
(DIN: 05193393)



Celebrating 25 Years of Cardiac Pacing

Factory & Regd. Office : Plot No. 15, Sector II,  
Pithampur, Dist. DHAR 454775 (M.P.), INDIA  
Phone : 07292 - 411105, Fax : 07292-400418, 0731 - 2762728  
E-mail : pacetronix@hotmail.com  
Web Site : www.pacetronix.com

Bangalore Address :  
201, Sai Apartment, 10th Cross,  
2nd Main, N.R. Colony, Bangalore - 19

TECHNOLOGY SERVING HUMANITY



Intertek

ICMED 13485 Certified  
ISO 13485 Certified  
ISO 9001 Certified

Kolkata Address :  
Swastik Apartment, Ground Floor,  
1, Sardar Sankar Road, Tolly Gunj,  
Kolkata - 700026  
Ph.: (033) 2464 8931 Fax : 2465 7753

**30<sup>th</sup>**  
**ANNUAL REPORT**  
**2017 - 2018**



**Shree Pacetrnix Ltd.**

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*Technology Serving Humanity*

*An ISO-9001 Company*

## CORPORATE INFORMATION

<b>CORPORATE IDENTIFICATION NUMBER</b>	L33112MP1988PLC004317
<b>REGISTERED OFFICE</b>	Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar (M.P.) – 454775 Contact: 07292-411105, Fax: 07292-400418 Email id: pacetronix@hotmail.com Website: www.pacetronix.com
<b>BOARD OF DIRECTORS</b>	
<b>Executive Directors</b>	
Managing Director	Mr. Atul Kumar Sethi
Joint Managing Director	Mr. Akash Sethi (Appointed w.e.f. 14.08.2018)
Whole Time/Woman Director	Mrs. Amita Sethi
Whole Time Director	Mr. Vikas Gokhale
<b>Non-Executive Directors</b>	
Independent Director	Mr. Sushil Kumar Patni
Independent Director	Mr. Mahesh Purohit (Appointed w.e.f.14.08.2018)
Independent Director	Mr. Rajesh Bhale (Appointed w.e.f.14.08.2018)
Independent Director	Mr. Varun Rawat (Appointed w.e.f.14.08.2018)
Independent Director	Mr. Anil Rathi (Resigned w.e.f. 03.08.2018)
Independent Director	Mr. Pravin Badjatya (Resigned w.e.f. 03.08.2018)
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Ashok Atulkar
<b>COMPANY SECRETARY</b>	Ms. Purnima Nagpal (Appointed w.e.f.11.11.2017) Ms. Priya Singh (Resigned w.e.f.11.11.2017)
<b>CHIEF OPERATING OFFICER</b>	Mr. Sumit Chakarbarti (Appointed w.e.f. 14.08.2018)
<b>STATUTORY AUDITORS</b>	Ajay Sharma and Company Chartered Accountants 301, III <sup>rd</sup> Floor, SV Business Park, 77 Swami Vivekanand Nagar, Telephone Nagar Square, Indore (M.P.) - 452018
<b>BANKERS</b>	Bank of India HDFC Bank Limited
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	Ankit Consultancy Private Limited 60 Electronic Complex, Pardesipura, Indore (M.P.) 452010

**NOTICE**

**NOTICE** is hereby given that Thirtieth Annual General Meeting of the Members of **Shree Pacetronix Limited** will be held on **Saturday, 29th September, 2018 at 11:00 A.M.** at the registered office of the Company at **Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar, Madhya Pradesh, 454775** to transact the following business : -

**ORDINARY BUSINESS:****1. Adoption of Audited Standalone Financial Statement**

To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended March 31st, 2018, together with the Reports of the Board of Directors and the Auditors thereon.

**2. Adoption of Audited Consolidated Financial Statement**

To receive, consider and adopt the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018, together with the Reports of Auditors thereon.

**3. Appointment of Mr. Vikas Gokhale (DIN: 051933930), Whole time Director, liable to retire by rotation.**

To appoint a Director in place of Mr. Vikas Gokhale (DIN: 051933930), Whole time Director who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:****4. REGULARISATION OF MR. AKASH SETHI (DIN: 08176396) AS DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, provisions of Section 149, 152 & 161(1) of the Companies Act, 2013 and other applicable provisions if any, read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, and in terms of Articles of Association of the Company, Mr. Akash Sethi (DIN: 08176396) who was appointed by the Board of Directors as an additional director of the Company w.e.f. 14th August, 2018, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the company, who shall be liable to retire by rotation.”

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

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

**“RESOLVED THAT** pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being enforce), in terms of Articles of Association, recommendation of Nomination & Remuneration Committee, and Board approval, the approval of the members of the Company be and is hereby accorded for the appointment of Mr. Akash Sethi (DIN: 08176396), Director of the Company as the Joint Managing Director of the Company with effect from 14th August 2018 to 13th August 2021, as well as the payment of salary, and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Act, in such a manner as may be agreed between the Board of Directors and Mr. Akash Sethi.

**RESOLVED FURTHER THAT** Mr. Atul Sethi (DIN: 00245685), Managing Director and Mrs. Amita Sethi (DIN: 00245722), Whole Time Director of the Company be and are hereby authorised severally to do all the act(s), deed(s), matter(s) and thing(s) and execute all such document(s), instrument(s) and writing(s) as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms / returns with the Office of the Registrar of Companies, Gwalior in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder or other authorities concerned.”

**6. APPOINTMENT OF MR. MAHESH PUROHIT (DIN: 07560407) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and Board, consent of the members be and is hereby given to the appointment of Mr. Mahesh Purohit (DIN: 07560407) who was appointed as an Additional

Director by the Board of Directors with effect from 14th August, 2018 and holds office upto the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 14th August, 2018 upto 13th August, 2023 and he shall not be liable to retire by rotation”.

**7. APPOINTMENT OF MR. RAJESH BHALE (DIN: 01933024) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and Board, consent of the members be and is hereby given to the appointment of Mr. Rajesh Bhale (DIN: 01933024) who was appointed as an Additional Director by the Board of Directors with effect from 14th August, 2018 and holds office upto the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 14th August, 2018 upto 13th August, 2023 and he shall not be liable to retire by rotation”.

**8. APPOINTMENT OF MR. VARUN RAWAT (DIN: 08203524) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and Board, consent of the members be and is hereby given to the appointment of Mr. Varun Rawat (DIN: 08203524) who was appointed as an Additional Director by the Board of Directors with effect from 14th August, 2018 and holds office upto the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 14th August, 2018 upto 13th August, 2023 and he shall not be liable to retire by rotation”.

**9. RE-APPOINTMENT OF MR. SUSHIL KUMAR PATNI (DIN: 00245754) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and Board, consent of the members be and is hereby given for the re-appointment of Mr. Sushil Kumar Patni (DIN: 00245754) who was appointed as an Independent Director of the Company at the 26th Annual General Meeting of the Company and who holds office upto 31st March 2019 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 01st April, 2019 upto 31st March, 2024 and he shall not be liable to retire by rotation”.

**PLACE :** Pithampur

**DATE :** 21/08/2018

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

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

**Purnima Nagpal**  
Company Secretary

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of Item Nos. 4 to 8 are annexed hereto. Information under Regulations 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under the Secretarial Standard 2 on General Meeting issued by the Institute of Company Secretaries of India, relating to Directors proposed to be appointed / re-appointed is provided in the Annexure to this Notice.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself /herself and the proxy need not to be a member of the company. The instrument appointing proxies in order to be effective must be duly completed, stamped, signed and deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/ authority, as applicable issued on behalf of the nominating organization.  

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such proxies shall be considered as invalid. Proxy will be valid until written notice of revocation has been received by the Company before the commencement of the Meeting.
5. Members, proxies and authorised representatives are requested to bring the attendance slip, duly filled and signed, which is attached herewith and are requested to hand it over at the entrance.
6. During the period beginning 24 (Twenty Four) hours before the time fixed for commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than 3 days of notice in writing is given to the Company
7. The report on the Corporate Governance and Management Discussion and Analysis also forms part to the report of the Directors.
8. The requirement to place the matter relating to appointment of Auditors' for ratification by Members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the Twenty Eight Annual General Meeting of the Company held on 30th September, 2016, for a period of five years.
9. Pursuant to Provisions of Section 91 of the Companies Act, 2013, the Company has notified closure of register of members and share transfer books (For the purpose of AGM) **22nd September 2018 to, 29th September 2018** (both days inclusive).
10. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act will be available for inspection by the Members at the Meeting.
11. The Company has fixed Saturday, 22nd September, 2018, as the cut-off date for determining entitlement of Members for attending the Meeting. Members whose name appears on the Company's Register of Members on the cut-off date shall be entitled to attend the Meeting.
12. All the documents referred to in the accompanying Notice pursuant to Section 102(1) of the Act, shall be available for inspection at the Registered Office of the Company on all working days during office hours (except Saturdays, Sundays and Public holidays) up to the date of the meeting.
13. 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.
14. Members seeking any information are requested to write to the Company by e-mail at **pacetronix@hotmail.com** at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
15. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
16. Members are requested to notify immediately any change in their address and E – Mail ID to their respective

- Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Ankit Consultancy Private Limited, 60 Electronic Complex, Pardesipura, Indore (M.P.) 452010.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to Ankit Consultancy Private Limited, RTA of the Company for consolidation into a single folio.
  18. In accordance with the provisions of Section 101 of the Companies Act, 2013, Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (LODR) Regulations, 2015, and the Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, Ankit Consultancy Private Limited to enable the Company to send all communications electronically.
  19. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic form, the nomination form may be filed with the respective depository participant.
  20. Members may also note that the Annual Report for FY 2017-18 is also available for downloading on Company's website [www.pacetronix.com](http://www.pacetronix.com).
  21. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account Details for all security holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Ankit Consultancy Private Limited along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
  22. Pursuant to the above point 21, the Company through Ankit Consultancy Private Limited has dispatched letters to its shareholders on Wednesday, 08th August 2018 to collect copy of PAN and Bank Account details of all Members holding equity shares in physical form in the manner as specified in the aforesaid Circular. Members who are unable to respond to Ankit Consultancy Private Limited and fail to provide PAN and Bank details within 180 days of the circular or have informed that the equity shares available in their name as per the records of Ankit Consultancy Private Limited does not belong to them, shall be subject to enhanced due diligence by Company.
  23. Pursuant to amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018, transfer of securities would be carried out in dematerialized form only with effect from December 5, 2018. The Company through Ankit Consultancy Private Limited has dispatched letters to its shareholders on Wednesday, 08th August 2018 informing the same. Members are advised to dematerialize shares held by them in physical form.
  24. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. A form for compiling the additional details is being sent along with this Notice. Members holding shares in physical form are requested to submit the form duly completed to the Company or its Registrar and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
  25. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
  26. Pursuant to the above point 22 and 23, a letter for collecting the documents of shareholders as mentioned in point 22 above and also a reminder for all shareholders to convert their physical shares in dematerialized form are attached herewith the Notice.
  27. The route map showing directions to reach the venue of the **30th AGM** is annexed.
  28. **Voting through electronic means**
    - (i) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means. The facility of casting the votes by the members using an electronic voting system from a

- place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
- (ii) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their rights at the meeting through polling paper.
- (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (iv) The Board of Directors has appointed Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS 39488) as the Scrutinizer to scrutinize the voting at the meeting and to conduct remote e-voting process in a fair and transparent manner.
- (v) The instructions for shareholders voting electronically are as under:**
- The voting period begins on Wednesday, 26th September 2018 (9:00 am) to, **Friday, 28th September 2018** (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Saturday, 22nd September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders/Members
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

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

- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. **Saturday, 22nd September, 2018**, may obtain the login ID and password by sending a request to Ankit Consultancy Private Limited at [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)
- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions



contained in this Notice.

- l. Click on the EVSN for the **SHREE PACETRONIX LIMITED** on which you choose to vote.
  - m. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - o. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - r. If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (vi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (vii) Note for Non – Individual Shareholders and Custodians**
- a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (viii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (ix) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **Saturday, 22nd September, 2018**.
- (x) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, order voting through poll for all those members who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.
- (xi) Immediately after the conclusion of voting at the AGM, the Scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.
- (xii) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pacetrnix.com](http://www.pacetrnix.com) and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited.

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 04**

Mr. Akash Sethi aged 27 years holds a degree of Master of Science under the Department of Electrical and Computer Engineering from Carnegie Mellon University, USA. Appointment of Mr. Akash Sethi as an Additional Director of the Company was recommended by the Nomination and Remuneration Committee and appointed by the Board of Directors in its meeting held on 14th August 2018 and as per the provisions of Section 161(1) of the Companies Act, 2013, he holds office up to the date of this Annual General Meeting.

The Company has received from Mr. Akash Sethi consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of section 164 of the Companies Act, 2013. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his services as Director.

Except Mr. Atul sethi, Mrs. Amita Sethi and Mr. Akash Sethi, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution.

The Board recommends to pass Ordinary resolution as set out in Item No. 4 of the notice.

**Item No: 5**

Mr. Akash Sethi aged 27 years holds a degree of Master of Science under the Department of Electrical and Computer Engineering from Carnegie Mellon University, USA.

The appointment has been recommended by the Nomination and Remuneration Committee and further the Board in its meeting held on 14th August 2018 approved the appointment of Mr. Akash Sethi, as Joint Managing Director of the Company for a period of three (3) years commencing from 14th August 2018 to 13th August 2021 which is subject to the approval of the Members at the General Meeting.

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

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

- a. **Term of Appointment:** Three (3) years commencing from 14th August 2018 to 13th August 2021.
- b. **Nature of Duties:** As outlined in Section 166 of the Companies Act, 2013.
- c. **Basic Salary:** Rs. 1,00,000/- per month. He shall be entitled for annual increment and variable pay as per growth and progress of the Company, which may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.
- d. **Perquisites and allowances:** Following as per rules of the Company:
  - i. Leave Travel Allowance
  - ii. House Rent Allowances
  - iii. Medical Allowances
  - iv. Provision for use of car with driver may be provided for official business and personal use. If used for personal use, it will be billed to him. If no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
  - v. Provision for telephone and internet may be provided at residence and personal calls will be billed to him.
- e. **Provident Fund:** The Company will make suitable contribution towards Provident Fund, as per the rules of the Company.
- f. **Gratuity:** As per rules of the Company.
- g. **Leave encashment:** Leaves will be provided as per rules of the Company including encashment of unavailed leave at the end of the tenure.
- h. **Other Benefits:** Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business will be provided.
- i. **Termination:** The employment may be terminated by either party giving to the other party three months' notice or gross salary in lieu thereof.

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

**I. General Information:**

- i. **Nature of Industry:** The Company is, inter alia, in the business of manufacturing & selling of different range of quality Implantable Cardiac Pacemakers.
- ii. **Date or expected date of commencement of commercial production:** The Company was incorporated on 11th January, 1988 and started manufacturing of Pacemakers in the year 1988.
- iii. **In case of new companies,** expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- iv. **Financial performance (Standalone & Consolidated) based on given indicators –** As per Audited Financial Results for the year ended 31st March, 2018:

Particulars	Rs. in Lakhs	
	Standalone	Consolidated
Gross Turnover & Other Income	661.07	681.48
Net profit as per Statement of Profit & Loss (After Tax)	7.63	13.23
Net Worth	529.69	520.21

- v. **Foreign investments or collaborators,** if any: Not Applicable. However the company is having NRI & Overseas Body Corporate shareholding of 696395 shares i.e. 19.3%

**II. Information about the appointee:**

- i. **Background details:** Refer Explanatory Statement of Item No. 4.
- ii. **Past remuneration:** Not Applicable.
- iii. **Recognition or awards:** Nil.
- iv. **Job Profile and his suitability:** Mr. Akash Sethi aged 27 years holds a degree of Master of Science under the Department of Electrical and Computer Engineering from Carnegie Mellon University, USA. Taking into consideration his qualifications he is best suitable for the responsibilities to be assigned under the said designation.
- v. **Remuneration proposed:** Refer Explanatory Statement of Item No. 5.
- vi. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** Taking into consideration the size of the Company, the profile of Mr. Akash Sethi and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.
- vii. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company and Mr. Atul Sethi and Mrs. Amita Sethi are parents of Mr. Akash Sethi. Except them none of the Directors is related to him.

**III. Other Information:**

1. **Inadequate Profits:** During the Financial Year, the Company has registered a Profit of Rs. 7.63 Lakhs which is inadequate for the payment of remuneration to the Directors. Hence the provisions of Section 197(3) and Schedule V are attracted. In terms of which, the required remuneration may be paid without the approval of Central Government only if the Conditions as specified under Schedule V is complied with.
2. **Reasons of loss or inadequate profits:** Company has registered a profit of Rs. 7.63 Lakhs during the year ended 31st, March, 2018. However it is not adequate for payment to directors because the health supply industry witnessed a slow growth rate due to certain government policies and control measures, also regulatory and compliance issues are getting more demanding which resulted in to the weak financial performance of the Company.
3. **Steps taken or proposed to be taken for improvement and Expected increase in the Productivity and profits in measurable terms:** The Company with an aim of improvement of the Company, increased productivity & profits for the Company working hard towards the same, hoping that government addresses major issues like pricing & healthcare policies soon. The Company, its directors & its management are committed to widen its reach with both international and Indian companies. Your Company is geared for the future and also implementing its management skills and strategies for the better organic and inorganic growth of the company in a pattern which would result in minimizing the cost & expenses and yet producing exemplary quality & reliable products.

- IV. **Disclosures:** The information and Disclosures of the remuneration package of the Executive Director have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration paid to Executive Directors" for the year ended 31st March, 2018".

Mr. Akash Sethi satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act.

Except Mr. Atul sethi, Mrs. Amita Sethi and Mr. Akash Sethi, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution. The Board recommends to pass Special resolution as set out in Item No.5 of the notice.

**Item No 6, 7 and 8:**

**Brief Profile of Proposed Appointees:** Mr. Mahesh Purohit, aged about 62 years, has done Masters of Science in Mathematics. He holds expertise in diverse areas viz. Banking, Tourism, Agriculture and Food Industry. He has a wide experience of 18 years in the field of Banking. He also has an experience of 25 years and 10 years in the fields of Tourism and Agriculture Industry respectively.

Mr. Rajesh Bhale, aged about 63 Years has done Masters of Business Administration and has done PHD as well. He has an experience of more than 20 years in the field of hospital equipments and marketing as well.

Mr. Varun Rawat holds Degree of Master's of Technology in Mechanical Engineering from Indian Institute of Technology (IIT). He has experience of more than 11 years in the field of sales, marketing and operations.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed Mr. Mahesh Purohit, Mr. Rajesh Bhale and Mr. Varun Rawat (proposed appointees) as Additional Directors (Independent) of the Company subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). The Company has also received declarations from all three proposed appointees confirming that they meet the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has also received consents in writing from all three proposed appointees to act as Directors in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that they are not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

In the opinion of the Board, all three proposed appointees fulfils the conditions for their appointment as Independent Directors as specified in the Act and the Listing Regulations and they are independent of the management. All three proposed appointees are not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except all three proposed appointees and their relatives, are in any way, concerned or interested in the said resolution. The Board recommends to pass Ordinary resolutions as set out in Item No. 6, 7 and 8 of the notice.

**Item No: 9**

Mr. Sushil Kumar Patni joined the Board on 30th April, 2002 as Director and further was appointed as Independent Director in the 26th Annual General Meeting held on 29th September 2014 for a tenure of five (5) years commencing from 29th September 2014 upto 31st March, 2019. He has served the Company for more than 16 years. He is a graduate in commerce. He has more than 17 years of experience in Management of Industrial Undertaking.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given the background and experience and contributions made by him during his tenure, the continued association of aforesaid Independent Director would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, he is proposed to be re-appointed as Independent Director of the Company, not liable to retire by rotation, for second term of 5 (five) consecutive years on the Board of the Company

The Company has also received a declaration from Mr. Sushil Kumar Patni confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received from Mr. Sushil Kumar Patni consent in writing to act as Director in form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Sushil Kumar Patni fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Mr. Sushil Kumar Patni is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Sushil Kumar Patni and his relatives, are in any way, concerned or interested in the said resolution. The Board recommends to pass Special resolution as set out in Item No.9 of the notice.

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

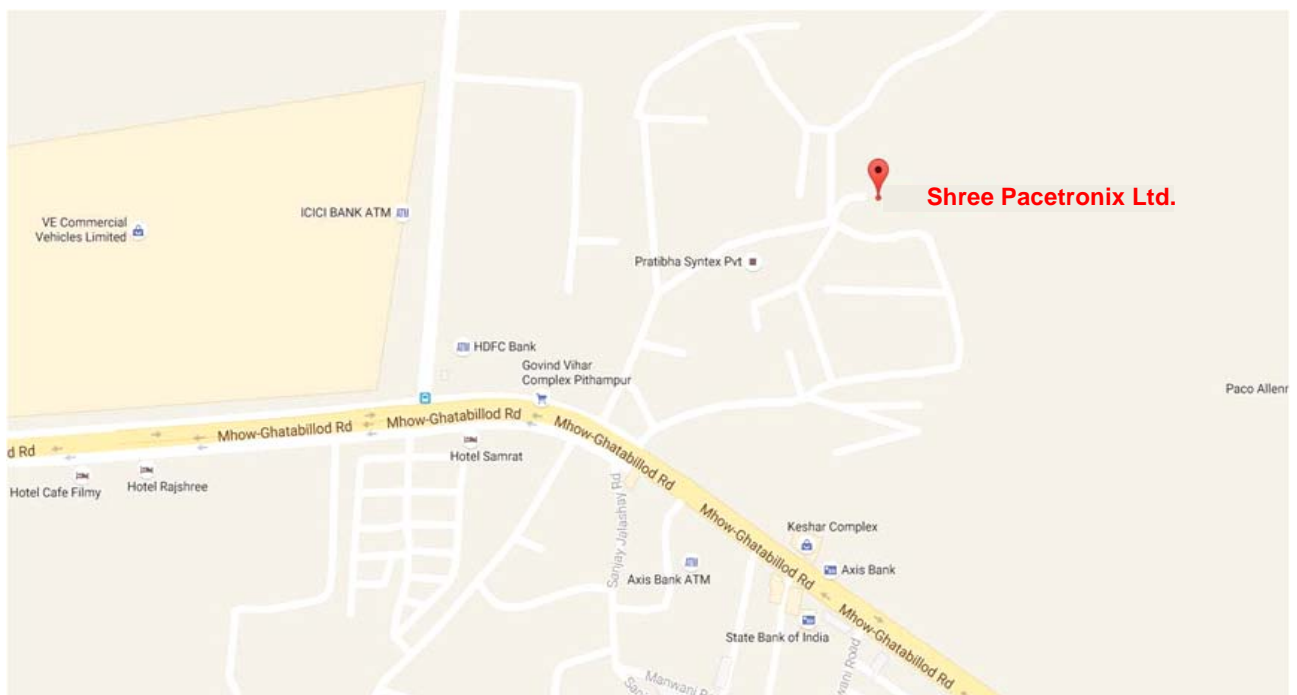
<b>Name of Director</b>	Mr. Vikas Gokhale	Mr. Akash Sethi	Mr. Mahesh Purohit	Mr. Rajesh Bhale	Mr. Varun Rawat	Mr. Sushil Kumar Patni
<b>DIN</b>	051933930	08176396	07560407	01933024	08203524	00245754
<b>Date of Birth</b>	09/06/1975	15/05/1991	14/06/1956	14/10/1955	20/01/1982	20/10/1952
<b>Date of Appointment</b>	30/01/2012	14/08/2018	14/08/2018	14/08/2018	14/08/2018	30/04/2002
<b>Qualification</b>	Masters of Technology	Masters of Science	Masters of Science	Masters of Business Administration and PHD	Mechanical Engineering from Indian Institute of Technology (IIT)	Bachelor of Commerce
<b>Expertise / Experience in specific functional areas</b>	Having 17 years of experience in Management of Industries Undertaking.	Nil	Wide experience of 18 years in the field of Banking, 25 years in Tourism & 10 years in the fields of and Agriculture Industry.	Experience of more than 20 years in the field of hospital equipments and marketing as well.	Experience of more than 11 years in the field of sales, operations & commercial management.	Experience of more than 17 years in the field of management.
<b>Category of Directorship</b>	Executive Professional Director	Executive Promoter Director	Non Executive Independent Director	Non Executive Independent Director	Non Executive Independent Director	Non Executive Independent Director
<b>Relationships with Other Directors, Manager and other Key Managerial Personnel of the Company</b>	Nil	Mr. Akash Sethi is the Son of Mr. Atul Sethi and Mrs. Amita Sethi	Nil	Nil	Nil	Nil
<b>No. &amp; % of Equity Shares held</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>List of outside Company directorship held</b>	Shree Coratomic Limited	Shree Coratomic Limited	Nil	Nil	Nil	Shree Coratomic Limited
<b>Chairman / Member of the Committees of the Board of Directors of the Company</b>	Nil	Nil	Nil	Nil	Nil	Chairman :3 Committees
<b>Chairman / Member of the Committees of the Board Directors of other Companies in which he is director</b>	Nil	Nil	Nil	Nil	Nil	Nil

By the order of the Board of Directors  
SHREE PACETRONIX LIMITED

PLACE : Pithampur  
DATE : 21/08/2018

Purnima Nagpal  
Company Secretary

Route Map for the Venue of AGM



## BOARD S' REPORT

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

Your Directors have immense pleasure in presenting Thirtieth Board's Report of Shree Pacetronix Limited, together with the audited consolidated and standalone financial statements for the year ended March 31, 2018.

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

**a. Financial Performance**

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

(Rs.)

Particulars	Standalone		Consolidated	
	Year ended 2017-2018	Year ended 2016-2017	Year ended 2017-2018	Year ended 2016-2017
Revenue from operations	6,59,88,913	6,83,99,565	6,80,30,370	6,94,29,021
Other Income	1,18,063	5,42,363	1,18,063	5,42,363
Total Expenses [excluding interest & depreciation]	<b>5,83,63,741</b>	<b>6,35,50,908</b>	<b>5,91,32,409</b>	<b>6,40,96,874</b>
Profit before Interest, Depreciation & Tax	<b>77,43,235</b>	<b>5391020</b>	<b>90,16,024</b>	<b>58,74,510</b>
Less: Depreciation	38,91,887	57,06,599	42,27,426	65,10,362
Less: Interest	27,46,811	36,90,477	28,90,880	38,44,357
Profit/Loss after tax	<b>11,04,537</b>	<b>(40,06,056)</b>	<b>18,97,718</b>	<b>(44,80,209)</b>
Profit/(Loss) Before Tax				
Less: Tax Expenses				
Current Tax	87,880	2,07,171	87,880	2,07,171
Deferred Tax	2,53,420	(13,10,660)	4,85,960	(14,41,390)
<b>Net Profit/(Loss) after Tax</b>	<b>7,63,237</b>	<b>(29,02,566)</b>	<b>13,23,878</b>	<b>(32,45,990)</b>
<b>Attributable to:</b>				
Equity Holders	-	-	13,23,423	(32,45,725)
Non-controlling interest	-	-	455	(265)
Add: Amount brought forward from Last Year	<b>89,25,956</b>	<b>11,82,85,22</b>	<b>74,12,087</b>	<b>1,06,57,812</b>
Balance carried forward to Balance Sheet	<b>96,89,193</b>	<b>89,25,956</b>	<b>87,35,510</b>	<b>74,12,087</b>

The Company's financial statements for the year ended March 31, 2018 are the financial statements prepared in accordance with Indian Accounting Standards (IND-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. The transition date is April, 2016.

**Standalone:** During the year under review the Company has reported a turnover of Rs. 6.59 Crores against the turnover of Rs. 6.83 Crores in the Previous Financial Year. The overall expense of the Company has also decreased from Rs.6.35 Crores to Rs.5.83 Crores. The Company has earned a profit of Rs. 7.63 Lacs as compared to loss of Rs. 29.02 Lacs in previous Financial Year.

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

The Company has one subsidiary named 'Shree Coratomic Limited', details of which are explained in extract of annual return 'MGT-9'.

Consolidated revenues of the Company decreased to Rs. 6.80 Lacs against the turnover of Rs. 6.94 Lacs over the previous financial year. However still the Company has earned a profit of Rs. 13 Lacs as compared to loss of Rs. 32 Lacs over previous Financial Year. The subsidiary of the Company mainly deals in trading of the pacemakers

**c. Operations And Future Outlook**

The Company is the one and only Company in India being engaged in manufacturing and marketing of different types of Pacemakers. The global market for pacemakers is growing at a significant rate due to increase in the incidences of cardiovascular disorders and increasing awareness. In addition, government initiatives and technological advancements are the major factors driving the global market for pacemakers.

The Company is planning of entering into a new era of market by introducing a new medical device called "Cochlear Implant" (CI), which is an electronic medical device that replaces the function of the damaged inner ear. The high prevalence of patients suffering from hearing loss is the major growth driver of this segment. This product has a huge market which involves people who are looking for affordable CI devices as these surgeries are not covered by Insurance companies as well as patients who don't want to wait for a long queue and get their surgery done as early as possible with Private clinics. The Directors are planning to launch this device in the upcoming years.

**d. Change in nature of Business**

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

**e. Changes in Share Capital**

During the Financial Year 2017-18 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2018 was Rs. 3, 59, 94,000 (Rupees Three Crores Fifty Nine Lacs and Ninety Four Thousand). During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. None of the Directors of the company hold instruments convertible into equity shares of the Company.

**f. Revision of Annual Financial Statements**

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

**2. Transfer to Reserves**

During the year the Company has not transferred any amount to the reserves as the Company proposes to retain the entire amount of profits in the Profit and Loss Account.

**3. Dividend**

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

**4. Deposits**

During the year under review, the Company did not accept any deposits within the meaning of provisions of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

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

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

**6. Extract of Annual Return**

The extract of the Annual Return of the Company as on 31st March, 2018 in Form MGT - 9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in the Annexure I to this report and is also available on the website of the Company at [www.pacetrnix.com](http://www.pacetrnix.com).

Further, As per section 134(3)(a) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and amendments thereof, The Annual Return of the Company as on 31st March, 2017 in Form MGT-7, has been posted on the website of the Company at [http://www.pacetrnix.com/wp-content/uploads/2015/07/-Annual-Return\\_MGT-7\\_31.03.2017.pdf](http://www.pacetrnix.com/wp-content/uploads/2015/07/-Annual-Return_MGT-7_31.03.2017.pdf) and after filing the Annual Return for the Financial Year 31<sup>st</sup> March 2018 in Form MGT – 7, the same will be posted on website of the Company at [www.pacetrnix.com](http://www.pacetrnix.com).

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

The Company has one subsidiary Shree Coratomic Limited; details are explained in extract of the Annual Return. Pursuant to Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiary, which forms part of this Annual Report is prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable along with other relevant provisions of the Act. The annual Financial Statements of the subsidiary and related detailed information is available on the website of the Company at [www.pacetrnix.com](http://www.pacetrnix.com).

In accordance with Section 129 (3) of the Companies Act, 2013, a separate statement containing salient features of the financial statement of the subsidiary of the Company in Form AOC-1 is given in Annexure II.

**Associate Company or Joint Venture:** The Company does not have any joint venture or associate Company.

**8. Consolidated Financial Statements**

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company and its subsidiary, is prepared in accordance with Indian Accounting Standards (IND-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable along with other relevant provisions of the Act. During the year under review, no Company has become or ceased to be a subsidiary of the Company.

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



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

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

Details of the material contracts or arrangements/ transactions during the year is disclosed in Form AOC-2 as prescribed under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 and enclosed as Annexure-III.

The Company has adopted a Related Party Transactions Policy and the same is uploaded on the Company's website [www.pacetrnix.com](http://www.pacetrnix.com).

Suitable disclosures as required under Indian Accounting Standards (Ind AS 24) have been made in the Note-36 to the financial statements.

**10. Directors and Key Managerial Personnel**

At the year ended March 31, 2018, the Board of Directors comprised of three Executive directors including one woman director and three Independent Directors. The Company has one Chief Financial Officer and a Company Secretary.

**Independent Directors:**

The Independent Directors on the Board of the Company, namely Mr. Sushil Kumar Patni, Mr. Praveen Badjtaya and Mr. Anil Rathi were appointed at the Annual General Meeting of the Company held on Monday, 29th September, 2014 for a period of five (5) years.

**Declaration by Independent Directors**

All Independent Directors of the Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Mr. Praveen Badjtaya and Mr. Anil Rathi, Non executive independent directors of the Company resigned from the Board w.e.f 3rd August 2018.

During the year under review, Ms. Priya Singh, Company Secretary of the Company resigned from the Company w.e.f 11th November 2017.

**Appointments:**

During the year under review, Mr. Vikas Gokhale (DIN: 051933930), Director of the Company was re-appointed by the members at the 29th Annual General Meeting held on 25th September 2017.

During the year under review, the Board appointed Ms. Purnima Nagpal as Company Secretary of the Company w.e.f 11th November 2017.

Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Tuesday 14th August 2018, proposed the re-appointment of Mr. Sushil Kumar Patni as an Independent Director for a second term of five (5) years commencing from 01st April 2019 to 31st March 2024 which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Your Directors recommend the re-appointment of Mr. Sushil Kumar Patni (DIN: 00245754), as Independent Director of the Company.

**Regularization of Directors:**

The Board in its meeting held on Tuesday 14th August 2018, appointed Mr. Akash Sethi (DIN: 08176396), as the Additional Director of the Company in the category of Executive Promoter Director.

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

Further, the Board in its meeting held on Tuesday 14th August 2018, also appointed Mr. Varun Rawat (DIN: 08203524), Mr. Mahesh Purohit (DIN: 07560407), and Dr. Rajesh Bhale (DIN: 01933024), as the Additional Directors of the Company in the category of Non Executive Independent Directors and they shall hold office upto the conclusion of ensuing Annual General Meeting.

Your Directors recommend the appointment of Mr. Varun Rawat (DIN: 08203524), Mr. Mahesh Purohit (DIN: 07560407), and Dr. Rajesh Bhale (DIN: 01933024), as Directors on the Board of the Company.

#### **Retire By Rotation**

In accordance with the provisions of Section 152 of the Act and in terms of the Articles of Association of the Company, Mr. Vikas Gokhale (DIN: 051933930) retires by rotation and being eligible, offers himself for reappointment at the ensuing 30th Annual General Meeting.

#### **Disqualifications of Directors**

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

### **11. Committees of the Board Of Directors**

The Board has three committees which have been constituted as a part of the good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes. The following are the details of the Board Committees during the Financial Year 2017-18:

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

#### **Audit Committee**

At the year ended March 31, 2018, the Company has an adequately qualified and experienced Audit Committee with Mr. Sushil Kumar Patni as Chairperson and Mr. Anil Rathi and Mr. Praveen Badjatya, as Members. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

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

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

- a. **Board Meetings:** During the year under review the Board has met 5 (five) times viz. **May 30, 2017; August 11, 2017; November 11, 2017; February 13, 2018 and March 15, 2018.** The details of meetings of the Board and the attendance of Directors at such Meetings are provided in the Corporate Governance Report.
- b. **Committee Meetings:** During the year under review, the Committees duly met and the details of the the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report.
- c. **Separate Meeting of Independent Director:** During the year under review, a separate meeting of Independent Directors was held on March 15, 2018. Details of the attendance of the Directors at such Meeting and detail about familiarisation programme, is provided in the Corporate Governance Report.

### **13. Nomination and Remuneration Policy**

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees which is being approved and adopted by the Board and has been posted on the website of the Company and can be accessed through web link <http://www.pacetrnix.com/wp-content/uploads/2015/07/nomination-and-remuneration-policy.pdf>.

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

1. Definitions
2. Appointment Criteria for Directors and Key Management Personnel.

3. Additional Criteria for Appointment of Independent Directors:
4. Tenure of the Directors.
5. Removal of the Directors
6. Remuneration Criteria for Non Executive Directors,
7. Remuneration criteria for Managing Director & Key Managerial Personnel & senior management

#### **Changes made in Nomination and Remuneration Policy**

Further the Nomination and Remuneration Policy is amended with respect of the definition of the "Independent Director" which is amended as per the Companies Amendment Act 2017 and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in their meeting held on 30.05.2018.

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

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

The Board of Directors has carried out an annual performance evaluation of its own performance, Independent Directors, the Directors and the Committees. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The criteria on the basis on which the evaluation has been carried out is explained in the Corporate Governance Report.

#### **15. Directors' Responsibility Statement**

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

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

#### **16. Auditors:**

##### **a. Statutory Auditors**

Pursuant to the provisions of section 139 of the Act and the rules framed there under, at the 28th Annual General Meeting held on 30th September 2016, Ajay Sharma & Company, Chartered Accountants (ICAI Firm Registration No. 013306C) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2021.

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

##### **Explanation to Auditor's Remark**

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

##### **Reporting of fraud by Statutory Auditors**

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

##### **b. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Ms. Shraddha Jain, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31st, 2018 is annexed herewith marked as Annexure IV to this Report.

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

**c. Cost Record and Cost Audit**

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

**d. Internal Auditor**

Pursuant to the provisions of Section 138 of the Act read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed M. J. Lunkad & Co., Chartered Accountant, Indore (Firm Registration No. 003057C) ,to conduct internal audit for the Company.

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

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

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

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

The Company has neither given any loan nor has made investments in terms of section 186 of the Companies Act, 2013. However, provided Corporate Guarantee to its Subsidiary Company. Details of guarantee covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No 33 to the financial statements.

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

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

**20. Risk Management**

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

**21. Corporate Social Responsibility**

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

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

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

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

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

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

None of the directors has received any commission from the subsidiary Company during the financial year 2017-2018 and the Company does not have any holding Company.

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

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

**26. Particulars of Employees**

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

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

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

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March, 2018 which is enclosed as Annexure VIII and forms the part of this Board Report.

**28. Voting Rights of employees**

During the year under review the company has not given loan to any employee for purchase of its own shares as per section 67(3) (c) of Companies Act, 2013.

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

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

**30. Disclosure regarding issue of Sweat Equity Shares**

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

**31. Corporate Governance Report**

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") the corporate governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable on the Company.

However as a good Corporate Governance practice the Company has complied with the all provisions of Corporate Governance. The Directors present the Report on compliance with the Corporate Governance provisions as prescribed under SEBI (LODR) Regulations, 2015 for the year ended March 31, 2018 and the same is attached with this report as Annexure – IX.

Auditor's certificate obtained from Ajay Sharma & Co., Chartered Accountants (Firm Registration No. 013306C) confirming compliance of the Corporate Governance as stipulated under the said Regulations is also attached as Annexure X to this Report.

**32. Management Discussion and Analysis Report**

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

**33. Listing at Stock Exchange**

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

The Company has complied with SEBI (LODR) Regulations, 2015 including payment of Annual Listing Fees up to March 31, 2019 to BSE.

**34. Compliance Of Secretarial Standard**

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

**35. Insurance**

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

**36. Business Responsibility Report**

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to the Company for the financial year ending March 31, 2018.

### 37. Depository System

The Company's shares are tradable compulsorily in electronic form and the Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018, vide Gazette notification dated June 8, 2018, Share transfer shall be mandatorily carried out in dematerialized form only w.e.f from December 5, 2018. In view of the notification, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

### 38. Environment and Safety

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

### 39. Industrial Relations

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

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

### 40. Disclosures as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

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

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

### 41. Acknowledgements

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

PLACE: Pithampur

DATE: 14.08.2018

For and on behalf of the Board of Directors of

**SHREE PACETRONIX LIMITED**

**Registered office**

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

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

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

## Annexure I

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and

Rule 12(1) of the Companies (Management &amp; Administration) Rules, 2014

## I REGISTRATION &amp; OTHER DETAILS:-

1	CIN	L33112MP1988PLC004317
2	Registration Date	11.01.1988
3	Name of the Company	Shree Pacetronix Limited
4	Category/Sub-category of the Company	Company Limited by shares/ Indian Non-Government company
5	Address of the Registered office & contact details	Plot No 15, Sector-II, Industrial Area, Pithampur, District Dhar (M.P.) 454775. Contact No: 07292- 411105 Email ID: pacetronix@hotmail.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Ankit Consultancy Private Limited 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010, Contact No: 0731-2551745/46. Email ID: rtaindore@gmail.com, ankit_4321@yahoo.com

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of irradiation, electro-medical and electrotherapeutic equipments. (Pacemakers)	26600	100%

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

S. No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1.	Shree Coratomic Ltd. Reg. Off. 01, Moon Palace Colony, Indore (M.P.)	U33112MP1995PLC008917	Subsidiary Company	99.91%	2(87) (ii)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1- 04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A Promoters</b>									
<b>1 Indian</b>									
a) Individual/ HUF	845038	0	845038	23.48	848338	0	848338	23.57	0.09
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A)</b>									
<b>(1):-</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>848338</b>	<b>0</b>	<b>848338</b>	<b>23.57</b>	<b>0.09</b>
<b>2 Foreign</b>									
a) NRIs -									
Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>845038</b>	<b>0</b>	<b>845038</b>	<b>23.48</b>	<b>848338</b>	<b>0</b>	<b>848338</b>	<b>23.57</b>	<b>0.09</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1- 04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
1 Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2 Non-Institutions									
a) Bodies Corp.									
i) Indian	526388	200	526588	14.63	453674	200	453874	12.61	-2.02
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	382479	585081	967560	26.88	386364	581981	968345	26.90	0.02
ii) Individual share-holders holding nominal share capital in excess of Rs 1 lakh	507849	55970	563819	15.66	576478	55970	632448	17.57	1.91
c) Others (specify)									
NRI	10020	686375	696395	19.35	10020	686375	696395	19.35	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies-D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1426736</b>	<b>1327626</b>	<b>2754362</b>	<b>76.52</b>	<b>1426536</b>	<b>1324526</b>	<b>2751062</b>	<b>76.43</b>	<b>-0.09</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1426736</b>	<b>1327626</b>	<b>2754362</b>	<b>76.52</b>	<b>1426536</b>	<b>1324526</b>	<b>2751062</b>	<b>76.43</b>	<b>-0.09</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>2271774</b>	<b>1327626</b>	<b>3599400</b>	<b>100</b>	<b>2274874</b>	<b>1324526</b>	<b>3599400</b>	<b>100.00</b>	<b>0.00</b>

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

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)			Shareholding at the end of the year (As on 31-03-2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Atul Kumar Sethi	705406	19.60	-	705406	19.60	-	0.00
2	Amita Sethi	102605	2.85	-	103455	2.87	-	0.02
3	Ashish Sethi	37027	1.03	-	39477	1.10	-	0.07
	<b>Total</b>	<b>845038</b>	<b>23.48</b>	<b>-</b>	<b>848338</b>	<b>23.57</b>	<b>-</b>	<b>0.09</b>



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

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2017)		Shareholding at the end of the year (As on 31-03-2018)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the Year	845038	23.48		
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease			Note-1	
3.	At the end of the Year	848338	23.57	848338	23.57

Note : There is change in the total shareholding of promoters between 01-04-2017 and 31-03-2018 and the same details are given below.

## NOTE-1 DETAILS OF INCREASE AND DECREASE IN PROMOTERS' SHARE HOLDING

Sl. No.	Name	Shareholding		Change during the year			Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	Mrs.Amita Sethi	102605	2.85					
				04/10/2017	300	Acquisition	102905	2.85
				26/10/2017	50	Acquisition	102955	2.86
				30/11/2017	500	Acquisition	103455	2.87
				31/03/2018	-	-	103455	2.87
2	Mr. Ashish Sethi	37027	1.03					
				31/05/2017	2450	Acquisition	39477	1.10
				31/03/2018	-	-	39477	1.10

There is no change in the shareholding of other Promoters mentioned in IV. (ii) above during the year.

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

Sl. No.	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year (As on 01-04-2017)		Date	Increase/ Decrease in shareholding	Reason and No of Shares	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning (01-04-17)	% of total shares of the Company				No. of Shares	% of total shares of the company
1.	Mathew Samuel Kalarickal	357795	9.94	16/03/2018	Increase	Acquisition 65237	423032	11.75
2.	Bio-Pace Technology	295432	8.21	-	-	-	295432	8.21
3.	Astral Tradeplace LLP	179135	4.98	-	-	-	179135	4.98
4.	Thomas B. Pinto	177300	4.93	-	-	-	177300	4.93
5.	Epcot Lifestyles Private Limited	159327	4.43	-	-	-	159327	4.43
6.	Manmohini Kaur	105558	2.93	-	-	-	105558	2.93
7.	S.K. Sekaran	99385	2.76	-	-	-	99385	2.76
8.	Nidhi Equity Private Limited	94056	2.61	09/06/2017	Decrease	Sale 94056	0	0
9.	Ajit Modi	86400	2.40	-	-	-	86400	2.40
10.	Kalpita Agencies Private Limited	71105	1.98	-	-	-	71105	1.98

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name (For Each of the Directors and Key Managerial Personnel)	Shareholding at the beginning of the year (As on 01-04-2017)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning	% of total shares of the Company				No. of Shares	% of total shares of the company
<b>A. DIRECTORS</b>								
1.	Mr. Atul Kumar Sethi	705406	19.60		Nil Movement during the year			
							705406	19.60
2.	Mrs. Amita Sethi	102605	2.85					
				04/10/2017	300	Acquisition	102905	2.85
				26/10/2017	50	Acquisition	102955	2.86
				30/11/2017	500	Acquisition	103455	2.87
				31/03/2018	-	-	103455	2.87
3.	Mr. Vikas Gokhale	0	0		Nil Movement during the year		0	0
4.	Mr. Sushil Kumar Patni	0	0		Nil Movement during the year		0	0
5.	Mr. Pravin Kumar Badjatya	0	0		Nil Movement during the year		0	0
6.	Mr. Anil Rathi	0	0		Nil Movement during the year		0	0

Sl. No.	Name (For Each of the Directors and Key Managerial Personnel)	Shareholding at the beginning of the year (As on 01-04-2017)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of Shares at the beginning	% of total shares of the Company				No. of Shares	% of total shares of the company

## KEY MANAGEMENT PERSONNEL

1	Mr. Ashok Atulkar Chief Financial Officer	0	0					
				31-03-2018			0	0
2	Ms. Priya Singh Company Secretary (Ceased w.e.f 11 <sup>th</sup> November 2017)	0	0					
				11-11-2017			0	0
3.	Ms. Purnima Nagpal Company Secretary (Appointed w.e.f 11 <sup>th</sup> November 2017)							
				11-11-2017			0	0
				31-03-2018			0	0

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

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year</b>				
i)	Principal	26351229	-	-	26351229
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>263511229</b>			<b>263511229</b>
	<b>Change in Indebtedness during the financial year</b>				
	Addition	1120259	-	-	1120259
	Reduction	(4424045)	-	-	(4424045)
	<b>Net Change</b>	<b>(3303786)</b>			<b>(3303786)</b>
	<b>Indebtedness at the end of the financial year</b>				
i)	Principal Amount	23047443	-	-	23047443
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>23047443</b>	-	-	<b>23047443</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Rs.)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Atul Kumar Sethi	Mr. Amita Sethi	Mr. Vikas Gokhale	
		Managing Director	Whole-time Director	Whole-time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2400000	600000	966000	39,66,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	1,10,800	1,10,800
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	2400000	600000	10,76,800	40,70,800
	<b>Ceiling as per the Act</b>	<b>As per Schedule V of the Companies Act, 2013</b>			

## B Remuneration to other directors

(In Rs.)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr.Sushil Kumar Patni	Mr. Pravin Kumar Badjatya	Mr. Anil Rathi	
1	<b>Independent Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	<b>Other Non-Executive Directors</b>				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	40,70,800
	<b>Overall Ceiling as per the Act</b>	The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors which shall not exceed one lakh rupees per meeting of the Board or committee.			

## C Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

(In Rs.)

SN.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Ashok Atulkar	Ms. Priya Singh	Ms. Purnima Nagpal	
		Chief Financial Officer	CS (Ceased w.e.f 11th November 2017)	C S (appointed w.e.f 11th November 2017)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,07,979	1,10,000	70,000	3,87,979
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	2,07,979	1,10,000	70,000	3,87,979

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

There were no Penalties/Punishment/Compounding of Offences for the year ended 31st March 2018.

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

\*Note: MGT-9 (Extract of Annual Return) can also be accessed at the website [www.pacetrnix.com](http://www.pacetrnix.com).

**PLACE:** Pithampur  
**DATE:** 14.08.2018

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

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

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

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

**Annexure-II****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate Companies/joint ventures

**Part "A": Subsidiaries**

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

S. No.	Particulars	Details
1.	Name of the subsidiary	Shree Coratomic Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	Rs. 80,07,000
5.	Reserves & surplus	Rs. (9,54,503)
6.	Total Assets	Rs. 1,73,57,506
7.	Total Liabilities	Rs. 1,73,57,506
8.	Investments	-
9.	Turnover	Rs. 88,99,457
10.	Profit before taxation	Rs. 7,52,528
11.	Provision for taxation	Rs. 1,43,400
12.	Profit after taxation	Rs. 5,19,988
13.	Proposed Dividend	NA
14.	% of shareholding	99.91%

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

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

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

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

**For Ajay Sharma & Company**  
Chartered Accountants

**For and on behalf of Board of Director of**  
**Shree Pacetromix Limited**

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

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

Amita Sethi  
**Wholetime Director**  
(DIN: 00245722)

**Annexure-III****Form AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

**1. Details of contracts or arrangement or transactions not at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justifications for entering contracts or arrangement or transactions not at arm's length basis	Date(s) of approval by the Board, if any	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
NIL							

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)
Shree Coratomic Limited Subsidiary Company	Sale of Goods	Regular Basis	Rs. 68,58,000	30/05/2017	Nil

For and on behalf of the Board of

**Shree Pacetronix Limited**

Date: 14/08/2018

Place: Pithampur

Atul Kumar Sethi  
Managing Director  
(DIN - 00245685)

Amita Sethi  
Whole time Director  
(DIN - 00245722)

## Annexure-IV

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

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



I have also examined compliance with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

#### I further report that

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

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance and the Board Meeting called at a shorter notice was duly conducted in the presence of Independent Director, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

ACS No. : 39488

CP No. : 14717

Place: Indore

Date: 14/08/2018

#### Annexure – V

The information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 is given here below and forms part of the Board's Report.

#### A. Conservation of Energy:

##### i. The steps taken or impact on conservation of energy

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

##### ii. The steps taken by the Company for utilizing alternate sources of energy: No alternate source used in the financial year 2017-18.

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

#### B. Technology Absorption:

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

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

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

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

The Company is using manufacturing technology which is entirely indigenous.

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

The Company has made the expenditure towards Research and Development of an amount Rs. 4,27,451/-

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

(in Rupees)

S. No	Particulars	31.03.2018	31.03.2017
1.	Foreign Exchange earned: - FOB Value of Exports	98,18,015	69,51,517
<b>TOTAL EARNINGS</b>		<b>98,18,015</b>	<b>69,51,517</b>
2.	Expenditure in Foreign Exchange : - Foreign travel - Fees for Technical Services	3,07,181 27,471	3,61,840 7,56,620
	- Capital Goods - Raw Materials (CIF Value of Imports)	- 1,86,18,304	29,37,979 2,00,33,290
<b>TOTAL EXPENDITURE</b>		<b>18952956</b>	<b>24089729</b>

**ANNEXURE – VI****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18.

S. N.	Name of Director/KMP	Designation	Remuneration of Director/KMP for financial year 2017-18 (In Rs.)	% increase in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Atul Kumar Sethi	Managing Director	2400000	-	16:1
2.	Mrs. Amita Sethi	Whole-Time Director	600000	-	6:1
3.	Mr. Vikas Gokhale	Whole-Time Director	969504	0.36	4:1
4.	Mr. Pravin Kumar Badjatya	Independent Director	-	-	-
5.	Mr. Sushil Kumar Patni	Independent Director	-	-	-
6.	Mr. Anil Rathi	Independent Director	-	-	-
7.	Mr. Ashok Atulkar	Chief Financial Officer	207979	13.64	
8.	Ms. Priya Singh (Ceased w.e.f 11 <sup>th</sup> November 2017)	Company Secretary	110000	-	-
9.	Ms. Purnima Nagpal (Appointed w.e.f 11 <sup>th</sup> November 2017)	Company Secretary	70000	-	-

- ii. The percentage increase in the median remuneration of employees in the financial year- Nil.
- iii. The number of permanent employees on the rolls of Company as on March 31, 2018: **40**.
- iv. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 7.53% whereas the increase in the managerial remuneration for the same financial year was 0.36%. There are no exceptional circumstances for increase in the managerial remuneration.
- v. The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.
- vi. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**PLACE:** Pithampur

**DATE:** 14.08.2018

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

**Registered office**

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

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

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

**Annexure – VII**

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(2) & 5 (3) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AND FORMING PART OF THE BOARDS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018.

S. No.	Name	Designation	Age	Remuneration received During the Financial Year (In Rs.)	Qualification and Experience	Date of Joining	Last Employer
1	Mr. Atul Kumar Sethi	Managing Director	55 Years	2400000	MBA (Marketing) years 21	11.01.1988	
2	Mrs. Amita Sethi	Whole Time Director	55 years	600000	MA, 16 years of	01.12.2010	
3	Mr. Vikas Gokhale	Whole Time Director	42 years	969504	M tech, 16 years	30.01.2012	
4	Mr. Mayur Dilip Bhusari	General Manager, production	44 years	658896	Graduate, 12 years	01.01.2006	
5	Mr. Pradip Tyagi	Assistant Quality control	32 years	627000	Graduate, 10 years	19.03.2007	
6	Mr. Murtaza Faizee Manager	Regional Sales	45 years	470496	Graduate, 21 years	01.01.1973	
7	Mr. Indranil Gupta	Regional Marketing Manager	49 years	426000	Graduate, 12 years	01.03.2004	
8	Mr. Subhashish Basu	Regional Marketing Manager	51 years	420000	Graduate, 2 years	01.01.2015	
9	Mr. Sumit Chakrabarti	Regional Marketing Manager	61 years	398496	Graduate, 19 years	01.12.1997	
10	Mr. Rabin	Sale Manager	53 years	360000	Graduate, 13 years	01.06.2003	CADILA
11	Mr. Rajesh Bhauraoji Wath	Temp Pacemaker Quality Control Manger	47 years	332374	Graduate, 18 years	01.07.1999	
12	Mr. Vijay Kumar Soni	Lead QC Manager	42 years	309847	Graduate, 21 years	01.09.1996	
13	Mr. Rupak Kumar Das	Regional Marketing Manager	55 years	273000	Graduate, 14 years	1.04.2003	

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

**PLACE:** Pithampur

**DATE:** 14.08.2018

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

**Registered office**

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

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

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

**Annexure-VIII****Compliance Certificate**

[As per Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Dear Members' of the Board,

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

1. We have reviewed Financial Statements (Standalone & Consolidated) and the Cash Flow Statement for the year ended 31 March, 2018 and that to the best of our knowledge and belief:
  - a. These Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There were no transactions entered into by the listed entity during the year which are fraudulent, illegal or volatile of the listed entity's code of conduct.
3. We are responsible for establishing and maintaining internal controls over financial reporting by the Company and we have:
  - a. Evaluated the effectiveness of Internal Control Systems of the listed entity pertaining to Financial Reporting.
  - b. Designed or caused to be designed, such internal control systems over financial reporting, so as to provide reasonable assurance regarding the preparation of financial statements in accordance with Indian Accounting Standards (Ind AS).
4. We have disclosed to the Company's Auditors and the Audit Committee:
  - a. Any significant changes in accounting policies during the year, and that the same have been disclosed appropriately in the notes to the financial statements.
  - b. Instances of significant fraud, if any, that we are aware especially if any Member of management or employee involved in financial reporting related process. No such instances were noticed during the year 2017-18.
  - c. All significant changes and deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data.

For and on behalf of the Board of

**Shree Pacetronix Limited**

Date: 14/08/2018  
Place: Pithampur

Atul Kumar Sethi  
Managing Director  
(DIN - 00245685)

Amita Sethi  
Whole time Director  
(DIN - 00245722)

## Annexure IX CORPORATE GOVERNANCE REPORT

The Directors present the Report on compliance with the Corporate Governance provisions as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] for the year ended March 31, 2018.

As per Regulation 15 of SEBI (LODR) Regulations, 2015 the Corporate Governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable on the Company, however, the Company has voluntarily complied with Corporate Governance Norms.

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

The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

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

In India, Corporate Governance Standards for listed companies are regulated by the Listing Regulations. The Company is in compliance with the requirements of Corporate Governance stipulated in the Listing Regulations.

### 2. BOARD OF DIRECTORS

#### a. Composition & Category

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

Name of Director	Category
Mr. Atul Kumar Sethi	Promoter, Executive Director
Mrs. Amita Sethi	Promoter, Executive, Woman Director
Mr. Vikas Gokhale	Executive Director
Mr. Sushil Kumar Patni	Independent Director
Mr. Pravin Kumar Badjatya	Independent Director
Mr. Anil Rathi	Independent Director

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

Category	No. of Directors	Percentage (%)
Executive Directors	3	50
Independent Directors	3	50
<b>TOTAL</b>	<b>6</b>	<b>100</b>

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

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

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

All the Independent Directors of the Company, have given a declaration affirming compliance to the criteria of independence pursuant to Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

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

#### b. Board Procedure and its Meetings

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

The Board in its meeting reviews the existing policies and programmes and also formulates various strategies for the betterment of the Company and enhancement of stakeholder's value. The Board considers matters relating to business, production, finance, marketing, personnel, materials and general administration also. The maximum gap between any two Board meetings was not more than one hundred and twenty days. During the Financial year, the Board met 5 (five) times on:

**30<sup>th</sup> May, 2017, 11<sup>th</sup> August 2017, 11<sup>th</sup> November, 2017, 13<sup>th</sup> February, 2018 and 15<sup>th</sup> March 2018.**

#### c. Details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/Membership of Board Committees showing the position as at 31st March, 2018 are given in the following table

S. No.	Name of the Director	Category	Attendance at Board meeting	Attendance at last AGM held on 25/09/2017	No. of Directorship (Including this Company)	No. of Committee position (Including this Company)		Shareholding of Non-Executive Directors
						Chairman	Member	
1.	Mr. Atul Kumar Sethi DIN: 00245685	Managing Director, Promoter Director	5	Yes	2	-	1	-
2.	Mrs. Amita Sethi DIN:00245722	Whole time Director, Promoter Director	5	Yes	1	-	-	-
3.	Mr. Vikas Gokhale DIN:05193393	Executive Director	5	Yes	2	-	=	-
4.	Mr. Sushil Kumar Patni DIN: 00245754	Independent Director	5	Yes	2	3	3	-
5.	Mr. Pravin Kumar Badjatya DIN: 00245849	Independent Director	5	Yes	1	-	2	-
5.	Mr. Anil Rathi DIN: 00492926	Independent Director	5	Yes	1	-	3	-

#### d. Separate Meeting of Independent Directors

Pursuant to the Regulation 25(3) of the SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on **15<sup>th</sup> March, 2018** without the attendance of non-independent directors and members of management. They discussed following at the meeting:

- Reviewed and evaluated the performance of Non-Independent Directors and Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive Directors.
- Assessed the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and necessarily perform its duties.

All the independent directors were present at the meeting.

**e. Familiarization Programme**

The Company has an orientation programme upon induction of new Directors. The Company also has a familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations, business model, nature of the industry and environment in which it operates, the regulatory environment applicable to it, and also the roles, rights and responsibilities of Independent Directors.

Details of familiarization programme are available on the Company's website at [www.pacetrnix.com](http://www.pacetrnix.com).

**f. Inter-se relationship among directors**

Mrs. Amita Sethi and Mr. Atul Kumar Sethi are spouse. Except them, there are no relationships between the Directors of the Company, inter-se.

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

i. Mr. Vikas Gokhale (DIN: 05193393) was re-appointed as Whole-Time Director of the Company at the 29<sup>th</sup> Annual General Meeting for a period of three years commencing from 30<sup>th</sup> January, 2018 to 29<sup>th</sup> January, 2021.

ii. The Board in its meeting held on Tuesday 14<sup>th</sup> August 2018, appointed Mr. Akash Sethi (DIN: 08176396), as the Additional Director of the Company in the category of Executive Promoter Director.

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

Further, the Board in its meeting held on Tuesday 14<sup>th</sup> August 2018, also appointed Mr. Varun Rawat (DIN: 08203524), Mr. Mahesh Purohit (DIN: 07560407), and Dr. Rajesh Bhale (DIN: 01933024), as the Additional Directors of the Company in the category of Non Executive Independent Directors and they shall hold office upto the conclusion of ensuing Annual General Meeting and proposed re-appointment of Mr. Sushil Kumar Patni as an Independent Director for a second term of five (5) years commencing from 01<sup>st</sup> April 2019 to 31<sup>st</sup> March 2024 which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Your Directors recommend the appointment of Mr. Varun Rawat (DIN: 08203524), Mr. Mahesh Purohit (DIN: 07560407), and Dr. Rajesh Bhale (DIN: 01933024), and Mr. Sushil Kumar Patni (DIN : 00245754) as Directors on the Board of the Company.

**3. COMMITTEES OF THE BOARD****Board has three Committees, viz:**

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

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

**a. AUDIT COMMITTEE**

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

**i. Terms of reference**

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

**ii. Composition and Meetings:**

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

During the financial year ended 31<sup>st</sup> March, 2018, 4 (four) Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

**30<sup>th</sup> May, 2017, 11<sup>th</sup> August 2017, 11<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018.**

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

Name	Category	Number of Meetings during the year 2017-18	
		Held	Attended
Mr. Sushil Patni DIN : 00245754	Chairman, Independent Director	4	4
Mr. Praveen Badjatya DIN : 00245849	Member, Independent Director	4	4
Mr. Anil Rathi DIN : 00492926	Member Independent Director.	4	4

**b. NOMINATION AND REMUNERATION COMMITTEE**

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

**i. Terms of reference**

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

**ii. Composition and Meetings**

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

During the financial year ended 31<sup>st</sup> March, 2018, 3 (three) meetings of Nomination and Remuneration Committee were held and the dates on which the said meetings were held are:

**30<sup>th</sup> May, 2017, 11<sup>th</sup> August 2017 and 11<sup>th</sup> November, 2017.**

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

Name	Category	Number of Meetings	
		Held	Attended
Mr. Sushil Kumar Patni DIN: 00245754	Chairman, Independent Director	3	3
Mr. Pravin Kumar Badjatya DIN: 00245849	Member, Independent Director	3	3
Mr. Anil Rathi DIN: 00492926	Member, Independent Director	3	3

**iii. Criteria for performance evaluation**

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

The criteria for performance evaluation are as under:

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

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

**For Executive Directors:**

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



**For Board as a whole:**

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

**For Board Committee:**

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

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

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

**➤ Criteria for making payment**

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

**➤ Remuneration to Executive Directors**

During the financial year, there were only 3 (three) directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration to the Executive Directors are as follows:

In (Rs.)

Name of Directors	Designation	Salary	Benefits	Commission	Bonus	Total
Mr. Atul Kumar Sethi DIN: 00245685	Managing Director	24,00,000	-	-	-	<b>24,00,000</b>
Mrs. Amita Sethi DIN: 00245722	Whole time Director	6,00,000	-	-	-	<b>6,00,000</b>
Mr. Vikas Gokhale DIN: 05193393	Whole time Director	9,66,000	-	1,10,800	-	<b>10,76,800</b>

- The Company does not pay any fixed component and performance linked incentives to any of its Directors.
- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its Director/employees.

**c. STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

**i. Terms of reference**

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

**ii. Composition and Meetings**

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

During the financial year ended 31<sup>st</sup> March, 2018, 4 (four) Stakeholders Relationship Committee Meetings were held and the dates on which the said meetings were held are as follows:

**30<sup>th</sup> May, 2017, 11<sup>th</sup> August 2017, 11<sup>th</sup> November, 2017 and 13<sup>th</sup> February, 2018.**

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

Name	Category	Number of Meetings	
		Held	Attended
Mr. Sushil Kumar Patni DIN: 00245754	Chairman, Independent Director	4	4
Mr. Pravin Kumar Badjatya DIN: 00245849	Member, Independent Director	4	4
Mr. Anil Rathi DIN: 00492926	Member, Independent Director	4	4

During the year under review the following Complaints were received and all were solved to the satisfaction of the shareholders.

S. No	Particulars Of Investor Grievances	No. of Investors Grievances
1.	Complaints received during the Year	5
2.	Complaints disposed of during the Year	5
3.	Complaints pending at the end of the year	0

Ms. Purnima Nagpal, Company Secretary is the general compliance officer of the Company except specifically provided otherwise for specific purposes.

#### 4. GENERAL BODY MEETINGS

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

AGM/EGM	Date	Venue	Time	Whether any Special Business Transacted?
29 <sup>th</sup> AGM	25 <sup>th</sup> September 2017	Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar (MP) 454775	11:30 AM	Yes
28 <sup>th</sup> AGM	30 <sup>th</sup> September 2016	Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar (MP) 454775	11:00 AM	Yes
27 <sup>th</sup> AGM	30 <sup>th</sup> September 2015	Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar (MP) 454775	10:00 AM	No

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

c. No special resolutions were passed during 2017-18 through postal ballot.

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

#### 5. MEANS OF COMMUNICATION

##### a. **Quarterly and Annual Financial Results**

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

##### b. **Newspaper publications on Financial Results**

The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the SEBI (LODR) Regulations, 2015 in newspapers viz. "Free Press" (English), "Chhotha Sansar" (Hindi) and "Indore Samachar" (Hindi).

##### c. **Website**

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

- d. **Official Media releases and presentations made to Institutional Investors/Financial Analysts:** No official media releases and presentations are made by the Company.

## 6. GENERAL SHAREHOLDERS INFORMATION

### a. Annual General Meeting

Saturday, 29<sup>th</sup> September, 2018 at 11.00 A.M at the Registered Office of the Company.

### b. Financial Year: 1<sup>st</sup> April to 31<sup>st</sup> March.

### c. Financial Calendar

	<b>(Tentative)</b>
Results for the Quarter ending 30 <sup>th</sup> June, 2018:	First Fortnight of August, 2018
Results for the Quarter ending 30 <sup>th</sup> September, 2018:	First Fortnight of November, 2018
Results for the Quarter ending 31 <sup>st</sup> December, 2018:	First Fortnight of February, 2018
Results for the Quarter ending 31 <sup>st</sup> March, 2019:	Last week of May, 2019

### d. Listing:

- i. **Stock Exchange:** Bombay Stock Exchange Limited
- ii. **Stock Code:** 527005
- iii. **ISIN No.:** INE847D01010
- iv. Listing Fees has been paid for financial year 2017-18.

### e. Plant Location :

**Shree Pacetronix Limited**  
 CIN: L33112MP1988PLC004317  
 Plot No. 15, Sector II, Industrial Area,  
 Pithampur, District Dhar (M.P.)  
 Pin code: 454775  
 Phone: 07292-411105,  
 Fax: 07292-400418  
 Email: pacetronix@hotmail.com

### f. Investor Correspondence Address:

#### i. Registrars and Share Transfer Agents

Ankit Consultancy Private Ltd.  
 60, Electronics Complex, Pardesipura,  
 Indore (M.P.)  
 Pin code: 452010  
 Phone- 0731-2551745/46  
 Fax- 0731-4065798  
 E Mail ID: rtaindore@gmail.com, ankit\_4321@yahoo.com

#### ii. Compliance Officer

**Shree Pacetronix Limited**  
 Plot No. 15, **Sector No.** II, Industrial Area,  
 Pithampur, District Dhar (M.P.)  
 Pin code: 454775  
 Phone: 07292-411105  
 Fax: 07292-400418  
 Email: pacetronix@hotmail.com

### g. Stock Market Data: Monthly High/Low/Close during each month at the BSE in the Financial Year 2017-18 :

Year	High(Rs.)	Low(Rs.)	Close(Rs.)
March 2018	-	-	-
February 2018	12.6	12.6	12.6
January 2018	13.89	12	12.6
December 2017	11.79	11.79	11.79
November 2017	11.79	10	11.79
October 2017	9.82	9.82	9.82
September 2017	11.48	8.92	9.36
August 2017	12.07	9.5	12.07
July 2017	10.95	10	10
June 2017	10.44	9.85	9.95
May 2017	10.35	9.85	9.85
April 2017	-	-	-

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



#### i. Registrars and Share Transfer Agent Ankit Consultancy Private Ltd.

(SEBI Reg. No. INR 000000767)

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

Pin code: 452010

Phone- 0731-2551745/46

Fax- 0731-4065798

E Mail ID: rtaindore@gmail.com, ankit\_4321@yahoo.com

#### j. Share Transfer System:

All the transfers received are processed by the Registrar and Share transfer Agent. Transfers are registered and confirmed within 30 days from the date of receipt, if the documents are in order in all respects. The details of share transfers during the quarter are also placed before the Stakeholders Relationship Committee meetings to take the same on record.

#### k. Distribution of shareholding as on 31st March, 2018

SHARE HOLDING OF NOMINAL SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	SHARE AMOUNT IN RS.	PERCENTAGE OF TOTAL
1 — 5000	5467	96.61	7100870	19.73
5001 — 10000	90	1.59	715280	1.99
10001 — 20000	44	0.78	659400	1.83
20001 — 30000	10	0.18	239480	0.67
30001 — 40000	8	0.14	292250	0.81
40001 — 50000	8	0.14	365050	1.01
50001 — 100000	9	0.16	630370	1.75
ABOVE 100000	23	0.41	25991300	72.21
<b>TOTAL</b>	<b>5659</b>	<b>100.00</b>	<b>3599400</b>	<b>100</b>

**I. Dematerialization of shares as on 31.03.2018:**

Category	No. Of Shares	Percentage (%)
Total number of Demated shares with NSDL	1595436	44.34
Total number of Demated shares with CDSL	679438	18.86
Physical	1324526	36.80
<b>TOTAL</b>	<b>3599400</b>	<b>100</b>

**Shareholding Pattern as on 31st March, 2018**

S.No	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters & Promoter Group	848338	23.57
2.	Corporate Bodies	453874	12.61
3.	Indian Public	1600793	44.47
4.	NRIs/OCBs	696395	19.35
	<b>TOTAL</b>	<b>3599400</b>	<b>100.00</b>

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

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

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

**7. DISCLOSURES:****a. Related Party Transactions**

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Further details of related party transactions as per Indian Accounting Standards (Ind AS 24) are presented in Note No. 36 to Accounts in the Annual Report.

The Company has provided Corporate Guarantee to its Subsidiary Company in terms of Section 186 of the Companies Act, 2013. The Company has formulated a Policy on Related Party Transactions which has been posted on the website of the Company and can be accessed through web link <http://www.pacetrnix.com/wp-content/uploads/2015/07/Policy-on-RPT.pdf>.

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

There were no such instances.

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

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

**d. Compliance with mandatory requirements**

The Company has complied with all the mandatory requirements of the SEBI Listing Regulations, 2015 during the year. The Company has voluntarily adopted Corporate Governance requirements as prescribed under SEBI Listing Regulations, 2015 and has complied with it.

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

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

**f. Disclosure of Accounting Treatment**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable along with other relevant provisions of the Act.

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

**g. Disclosure of Subsidiaries**

The detail of subsidiary is provided in detail in Directors' Report. However, the Company does not have any material subsidiary and was therefore, not required to have an Independent Director of the Company on the Board of such subsidiary, under Regulation 24 of the Listing Regulations. However, Independent Director of the Company, Mr. Sushil Kumar Patni is appointed as Independent Director on the Board of its subsidiary "Shree Coratomic Limited".

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

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

Pursuant to the requirements of the SEBI (LODR) Regulations, 2015, the Company has adopted a policy for determining material subsidiaries. The policy is available on the Company's website [www.pacetronix.com](http://www.pacetronix.com).

#### **8. MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

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

#### **10. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations: **NIL****

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

#### **12. The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.**

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

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015, the Company has placed Code of Conduct for prohibition of Insider Trading on its website [www.pacetronix.com](http://www.pacetronix.com).

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

#### **14. CODE OF CONDUCT**

In accordance with Regulation 17(5) of the SEBI Listing Regulations, 2015, the Company has adopted Code of Conduct for all the Board Members and senior management team and the code of conduct for Independent Directors separately and both the codes are available on Company's website at [www.pacetronix.com](http://www.pacetronix.com). All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct, for the Financial Year ended March 31, 2018.

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

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Atul Kumar Sethi, Managing Director of the Company hereby confirm that the Company has received declarations from all Board Members and Senior Management Personnel of the Company affirming compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2018.

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

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

**Annexure – X****INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of Shree Pacetronix Limited**

We have examined the compliance of conditions of Corporate Governance by **Shree Pacetronix Limited** ("The Company") for the financial year ended March 31, 2018 as stipulated in Regulations 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations).

Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013 in so far as applicable for the purpose of this certificate. Our responsibility was limited to the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**For Ajay Sharma & Company**  
**Chartered Accountants**

**Place: Indore**  
**Date: 14/08/2018**

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

**ANNEXURE-XI****MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Increasing prevalence of cardiovascular diseases (CVDs) is a key factor governing the growth of the global market. Recent technological advancements are also a major trend observed in the medical devices industry. As per statistics published by the World Health Organization (WHO), an alarmingly high number of deaths resulted from CVDs in 2012, amounting to 31.0% or equating to 17.5 million lives. Among these, around 40.0% and 38.0% deaths were caused by coronary heart disease and stroke, respectively. High incidence and mortality rates associated with cardiac conditions drive the demand for artificial heart rate management devices vanced therapeutics, including pacemakers, increase the lifespan of this demographic and improve quality of life. Thus, increasing geriatric population is a vital driving factor for the market. Several economic government initiatives are anticipated to create a free and open economy. Implementation of Goods and Services Tax (GST) in India to avoid the tax cascading effect is anticipated to bring down the tax rate, thus improving the ease of doing business in the country is one of the initiatives to create free and open economy.

The Company is the one and only Company in India being engaged in manufacturing and marketing of different types of Pacemakers. There has been growing demand of the products manufactured by the Company, enhancing access, improving affordability and driving innovation are some of the common themes our Company is working on.

**OPPORTUNITIES:**

The global market for pacemakers is growing at a significant rate due to increase in the incidences of cardiovascular disorders and increasing awareness. In addition, government initiatives and technological advancements are the major factors driving the global market for pacemakers. With the help of inclination of NGO partners, government agencies, individuals, visionaries, domain experts, and other foundations towards societal welfare would result in prompt growth of the health suppliers industry. Several factors such as high blood pressure, thyroid, unhealthy dietary habits, drug abuse, stress, and diabetes lead to chronic diseases. Thus, there is an increasing demand for advanced therapeutic products including electroceuticals, which is expected to drive the growth. Our Company is also continuously working in the research and developments section in the direction of making the products affordable for the whole of the society acknowledging its responsibility towards the societal welfare. The evolution of the sector calls for involvement from all stakeholders and the use of innovation to bridge intent and execution will lead to higher opportunities in the healthcare supplies sector in Indian and as well as global market.

**THREATS:**

Stringent government rules and regulations for the development & manufacture of medical devices including implantable cardioverter defibrillators, cardiac pacemakers, and neuromodulation devices could hinder the growth of the market. The devices undergo rigorous clinical trials prior to a PMA (premarket approval), which cause a significant rise in the costs incurred by the manufacturers. In addition, product recalls are a major challenge faced by manufacturers, which could

adversely affect the sector growth. However, pacemaker manufacturers have faced intense price pressures from group purchasing organizations (GPOs), which have leveraged their large scale to negotiate lower pacemaker prices for major purchasers like hospitals. The healthcare supplies industry continues to face significant challenges both in India and internationally with the volume and complexity of change having greatly intensified the implication of risk. Regulatory risks, which are an inherent threat in the industry, are compounded by evolving regulations, new legislation and increased enforcement. To provide affordable healthcare, The Company will fully cooperate and partner with the Government on efforts focused towards ensuring access and increasing affordability of medicines while maintaining strong commitment on quality.

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

The Company is engaged in pacemakers manufacturing only and there is no separate repeatable segments. Company has generated revenue of Rs. 6.59 lacs during the financial year. However, the company is striving to improve its operational functionality and spread its geographical operational area.

**OUTLOOK:**

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

The Company is planning of entering into a new era of market by introducing a new medical device called "Cochlear Implant, which is an electronic medical device that replaces the function of the damaged inner ear. It bypass the damaged hair cells of the inner ear (cochlea) to provide sound signals to the brain. The high prevalence of patients suffering from hearing loss is the major growth driver of this segment. According to the WHO, in 2012, around 360 million people in the world were suffering from disabilities relating to hearing loss. This product has a huge market which involves people who are looking for affordable CI devices as these surgeries are not covered by Insurance companies as well as patients who don't want to wait for a long queue and get their surgery done as early as possible with Private clinics. Also, Government tenders are playing a major role in boosting requirements of Cochlear Implant.

**RISK AND CONCERNS:**

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

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

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

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

During the year 2017-18, the financial performance of company has decreased as compared to previous year due to stiff competition. The Company's management is making regular enterprise for improving operating efficiencies and increase its performance. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**HUMAN RESOURCES / INDUSTRIAL RELATIONS:**

Our Company shares good industrial relations which improves the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. Complete unity of thought and action is placed in organization. It has increased the place of workers in the society. During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity Industrial relations were cordial throughout the year at all locations. As on 31st March, 2018, there were 40 employees on the roll of the Company.

For and on behalf of the Board of

**Shree Pacetronix Limited**

Date: 14/08/2018  
Place: Pithampur

Atul Kumar Sethi  
Managing Director  
(DIN - 00245685)

Amita Sethi  
Whole time Director  
(DIN - 00245722)



**INDEPENDENT AUDITORS' REPORT**

TO THE MEMBER OF  
**SHREE PACETRONIX LIMITED**

**Report on the Financial Statements**

1. We have audited the accompanying standalone financial statements of Shree Pacetronix Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of profit and Loss (including other comprehensive income) and the cash flow statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements")

**Management's Responsibility for the standalone Ind AS Financial Statements**

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

**Auditors' Responsibility**

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

**Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in 'Annexure B'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the financial impact of pending litigations on its financial position in its standalone Ind AS financial statements.
  - ii. The company has made provision in Standalone Ind AS financial statements, as required under the applicable law or accounting standards, for the material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to investor's education and protection fund by the company.

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

Place: Pithampur  
Date : 30th May 2018

**CA Ajay Sharma**  
Proprietor  
Membership number 404968

### Annexure A to Independent Auditors' Report

The Annexure to in paragraph 8 of the Independent Auditors' Report of even date to the members of Shree Pacetronix Limited on the financial statements as of and for the year ended March 31, 2018. We report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year and no material discrepancies have been noticed.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the provisions of Clause (iii) [(a), (b), (c)] of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect guarantee given on behalf of its subsidiary. The company has not given any loans, made investments and given securities covered under section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public. Therefore, reporting under the provisions of Clause (v) of the said Order are not applicable to the Company.
- vi. The Central government has not prescribed the maintenance of cost records under sub-section (l) of section 148 of the Companies Act in respect of manufacturing activities of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing statutory dues in respect of provident fund, employees' state insurance, income tax, service tax, customs duty, excise duty, value added tax, Goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
According to the information and explanations given to us , there are no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, value added tax, Goods and service tax wealth-tax, service-tax, customs duty, and excise duty which have not been deposited on account of any dispute. However , according to information and explanations given to us ,the following dues in respect of Income Tax have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute pending are given below:-

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

- viii. In our opinion and according to the information given to us, the Company has not defaulted in repayment of loans taken from banks or financial institutions during the year.
- ix. The Company did not raise any money by way of Public issue during the financial year. The term loans taken by the company during the year were applied for the purpose for which the loans were obtained;
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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

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

**CA Ajay Sharma**  
Proprietor  
Membership number 404968

Place: Pithampur  
Date : 30th May 2018

**Annexure B to Auditor's Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of Shree Pacetronix Limited on the financial statements as of and for the year ended March 31, 2018 . We report that :

We have audited the internal financial controls over financial reporting of **Shree Pacetronix Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For Ajay Sharma & Company**

Chartered Accountants

Firm's Registration No. 013306C

Place: Pithampur

Date : 30th May 2018

**CA Ajay Sharma**

Proprietor

Membership number 404968

## BALANCE SHEET AS AT MARCH 31ST, 2018

(In INR Rs.)

Particulars	Note	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3.1	17,742,432	18,528,519	22,255,027
Capital work-in-progress	3.2	-	7,738,762	-
Intangible assets	3.3	642,848	857,428	1,713,509
Financial assets				
- Investments	4	8,000,000	8,000,000	8,000,000
- Other financial assets	5	1,596,035	1,388,278	1,396,318
Deferred tax assets (Net)	6	1,378,280	1,631,700	321,040
Income Tax Assets (Net)	7	332,363	209,773	209,773
<b>Total Non current assets</b>		<u>29,691,958</u>	<u>38,354,460</u>	<u>33,895,667</u>
<b>Current assets</b>				
Inventories	8	22,500,810	25,716,237	25,285,069
Financial assets				
- Trade receivables	9	31,545,918	19,150,066	15,973,451
- Cash and cash equivalents	10	1,792,790	1,185,060	1,908,815
- Loans	11	455,359	2,227,343	1,135,681
- Other financial assets	12	495,410	397,428	276,822
Other current assets	13	2,386,026	3,269,353	7,524,422
<b>Total current assets</b>		<u>59,176,313</u>	<u>51,945,487</u>	<u>52,104,260</u>
<b>TOTAL ASSETS</b>		<u>88,868,271</u>	<u>90,299,947</u>	<u>85,999,927</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	14	35,994,000	35,994,000	35,994,000
Other equity	15	16,975,301	15,099,064	18,001,630
<b>Total Equity</b>		<u>52,969,301</u>	<u>51,093,064</u>	<u>53,995,630</u>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	16	3,400,259	5,148,218	2,454,108
- Other financial liabilities	17	250,000	250,000	250,000
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	18	18,280,412	19,337,121	15,787,608
- Trade payables	19	3,612,885	1,925,798	2,276,916
- Other financial liabilities	20	6,615,144	7,249,133	5,854,236
Other current liabilities	21	1,297,103	3,190,581	2,281,706
Provisions	22	2,244,412	2,106,032	2,096,223
Income tax liabilities (net)	23	198,755	-	1,003,500
<b>Total Liabilities</b>		<u>35,898,969</u>	<u>39,206,883</u>	<u>32,004,297</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>88,868,271</u>	<u>90,299,947</u>	<u>85,999,927</u>
Significant Accounting Policies	1			
See accompanying notes to the financial statements		1 to 37		

As per our report of even date attached

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

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

Place: Pithampur  
Date : 30th May 2018

For and on behalf of Board of Directors

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

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

**Ashok Atulkar**  
Chief Financial Officer

**Purnima Nagpal**  
Company Secretary

## Statement of Profit and Loss Year Ended March 31st , 2018

(In INR Rs. )

Particulars	Note	As at March 31st , 2018	As at March 31st , 2017
Revenue from operations	24	65,988,913	68,399,565
Other income	25	118,063	542,363
<b>Total revenue</b>		<b>66,106,976</b>	<b>68,941,928</b>
<b>Expenses</b>			
Cost of materials consumed	26	25,682,752	20,478,817
Changes in inventories of finished goods, work in progress and stock-in-trade	27	1,497,510	4,598,700
Employee benefit expense	28	15,924,528	15,090,376
Finance cost	29	3,063,880	3,797,509
Depreciation and amortisation expense	3	3,891,887	5,706,599
Other expense	30	14,941,882	23,275,983
<b>Total expenses</b>		<b>65,002,439</b>	<b>72,947,983</b>
<b>Profit/ (loss) before tax</b>		<b>1,104,537</b>	<b>(4,006,055)</b>
Tax expense			
Current tax	31	87,880	207,171
Deferred tax	6	253,420	(1,310,660)
<b>Profit/ (loss) for the period from continuing operations</b>			
<b>Profit/ (loss) for the year</b>		<b>763,237</b>	<b>(2,902,566)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>763,237</b>	<b>(2,902,566)</b>
<b>Earnings per equity share of face value of 10 each</b>	32		
a) Basic		0.21	(0.81)
b) Diluted		0.21	(0.81)
Significant Accounting Policies	1		
See accompanying notes to the financial statements	1 to 37		

As per our report of even date attached

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

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

Place: Pithampur  
Date : 30th May 2018

For and on behalf of Board of Directors

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

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

**Ashok Atulkar**  
Chief Financial Officer

**Purnima Nagpal**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018****A. Equity Share Capital**

	Note	Amount
<b>As at 1st April 2016</b>	35,994,000	
Changes in Equity Share during the year		
<b>As at 31st March 2017</b>	35,994,000	
Changes in Equity Share during the year		
<b>As at 31st March 2018</b>	35,994,000	

B. Other Equity	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other Comprehensive Income	Total
<b>As at 1st April 2016</b>	1,500,000	4,673,108	11,828,522	-	18,001,630
Profit for the year	-	-	(2,902,566)	-	(2,902,566)
Other Comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
<b>As at 31st March 2017</b>	1,500,000	4,673,108	8,925,956	-	15,099,064
Profit for the year	-	-	763,237	-	763,237
Increase during the year	-	1,113,000	-	-	1,113,000
Other Comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
<b>As at 31st March 2018</b>	1,500,000	5,786,108	9,689,193	-	16,975,301

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

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

Place: Pithampur  
Date : 30th May 2018

For and on behalf of Board of Directors

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Purnima Nagpal**  
Company Secretary



## CASH FLOW STATEMENT AS AT MARCH 31ST, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	1,104,537	(4,006,055)
Adjusted for:		
Depreciation and Amortisation Expense	3,891,887	5,706,599
Interest Income	118,063	141,897
Interest paid	3,063,880	3,797,509
Profit on sale of fixed assets	-	(78,966)
	<u>7,073,830</u>	<u>9,567,039</u>
Operating Profit before Working Capital Changes	8,178,367	5,560,984
Adjusted for:		
Trade & other Receivables	(9,838,523)	(129,526)
Inventories	3,215,427	(431,168)
Trade & Other Payables	(702,000)	1,962,463
	<u>(7,325,096)</u>	<u>1,401,769</u>
Cash Generated from Operations	853,271	6,962,753
Taxes Paid	(11,715)	(1,214,959)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>841,556</u>	<u>5,747,794</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash flow from Other financial assets	(207,757)	8,040
Transfer of Fixed Assets	7,738,762	700,000
Purchase of Fixed Assets	(2,891,220)	(9,483,805)
Interest Income	(118,063)	(141,897)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>4,521,722</u>	<u>(8,917,662)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	(1,747,959)	2,694,110
Proceeds from Short Term Borrowings (Net)	(1,056,709)	3,549,513
Interest Paid	(3,063,880)	(3,797,509)
Security Premium	1,113,000	-
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<u>(4,755,548)</u>	<u>2,446,114</u>
Net Increase/Decrease (-) in Cash and Cash Equivalents	607,730	(723,754)
Opening Balance of Cash and Cash Equivalents	<u>1,185,060</u>	<u>1,908,815</u>
Closing Balance of Cash and Cash Equivalents	<u>1,792,790</u>	<u>1,185,060</u>

As per our report of even date attached.

For and on behalf of Board of Directors

For **Ajay Sharma & Company**

Firm Registration Number: 013306C

Chartered Accountants

**(CA Ajay Sharma)**

Proprietor

Membership Number: 404968

Place: Pithampur

Date : 30th May 2018

**Atul Kumar Sethi**

Managing Director

DIN-00245685

**Ashok Atulkar**

Chief Financial Officer

**Amita Sethi**

Whole time Director

DIN-00245722

**Purnima Nagpal**

Company Secretary

## **Notes to the financial statements as of and for the year ended March 31, 2018**

### **1. Company overview and Significant accounting policies**

#### **a) Company overview**

Shree Pacetronix Ltd. ("the Company") is a listed entity incorporated in India. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

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

The financial statements have been prepared on the historical cost basis except for Certain financial assets and liabilities which have been measured at fair value amount. The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP". These financial statements are the Company's first Ind AS standalone financial statements. Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

#### **c) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **d) Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Particular	Depreciation
Technical know – how	Over a period of 10 years
Computer Software	Over a period of 10 years

#### **e) Research and Development Expenditure**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalized

#### **f) Finance Cost**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

#### **g) Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. Cost of raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

**h) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**i) Employee Benefit Expense Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**Post-Employment Benefits**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

**j) Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

**- Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**- Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**k) Foreign currencies transactions and translation**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

**l) Revenue recognition**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

**Interest income**

Interest income from a financial asset is recognised using effective interest rate method.

**m) Financial instruments****i) Financial Assets****A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement****a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

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

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Investment in subsidiaries**

The Company has accounted for its investments in subsidiary at cost.

**D. Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument) For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**ii) Financial liabilities****E. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**F. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii) Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. Impairment of non-financial assets - property, plant and equipment and intangible assets. The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

**n) Earnings per share**

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**o) Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. There were no significant reconciliation items between cash flows prepared under Indian GAAP and those Prepared under Ind AS.

**p) Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates,

judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**q) FIRST TIME ADOPTION OF IND AS**

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III. The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

For and on behalf of the Board of Directors

**Atul Kumar Sethi**

Managing Director  
DIN-00245685

**Amita Sethi**

Whole time Director  
DIN-00245722

**Ashok Atulkar**  
Chief Financial Officer

**Purnima Nagpal**  
Company Secretary

## 2.1 Reconciliation

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101  
Reconciliation of Equity Between Previous IGAAP and Ind AS is as Under

Particulars	Notes	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	3.1	22,255,027	-	22,255,027	18,528,519	-	18,528,519
Capital work-in-progress	3.2	-	-	-	7,738,762	-	7,738,762
Intangible assets	3.3	1,713,509	-	1,713,509	857,428	-	857,428
Financial assets							
- Investments	4	8,000,000	-	8,000,000	8,000,000	-	8,000,000
- Other financial assets	5	1,396,318	-	1,396,318	1,388,278	-	1,388,278
Deferred tax assets (Net)	6	321,040	-	321,040	1,631,700	-	1,631,700
Income Tax Assets (Net)	7	209,773	-	209,773	209,773	-	209,773
<b>Total Non current assets</b>		<b>33,895,667</b>	<b>-</b>	<b>33,895,667</b>	<b>38,354,460</b>	<b>-</b>	<b>38,354,460</b>
<b>Current assets</b>							
Inventories	8	25,285,069	-	25,285,069	25,716,237	-	25,716,237
Financial assets							
- Trade receivables	9	15,973,451	-	15,973,451	19,150,066	-	19,150,066
- Cash and cash equivalents	10	1,908,815	-	1,908,815	1,185,060	-	1,185,060
- Loans	11	1,135,681	-	1,135,681	2,227,343	-	2,227,343
- Other financial assets	12	276,822	-	276,822	397,428	-	397,428
Other current assets	13	7,524,422	-	7,524,422	3,269,353	-	3,269,353
<b>Total current assets</b>		<b>52,104,260</b>	<b>-</b>	<b>52,104,260</b>	<b>51,945,487</b>	<b>-</b>	<b>51,945,487</b>
<b>TOTAL</b>		<b>85,999,927</b>	<b>-</b>	<b>85,999,927</b>	<b>90,299,947</b>	<b>-</b>	<b>90,299,947</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share capital	14	35,994,000	-	35,994,000	35,994,000	-	35,994,000
Other equity	15	18,001,630	-	18,001,630	15,099,064	-	15,099,064
<b>Total Equity</b>		<b>53,995,630</b>	<b>-</b>	<b>53,995,630</b>	<b>51,093,064</b>	<b>-</b>	<b>51,093,064</b>
<b>Non-current liabilities</b>							
Financial liabilities							
- Borrowings	16	2,454,108	-	2,454,108	5,148,218	-	5,148,218
- Other financial liabilities	17	250,000	-	250,000	250,000	-	250,000
<b>Current liabilities</b>							
Financial liabilities							
- Borrowings	18	15,787,608	-	15,787,608	19,337,121	-	19,337,121
- Trade payables	19	2,276,916	-	2,276,916	1,925,798	-	1,925,798
- Other financial liabilities	20	5,854,236	-	5,854,236	7,249,133	-	7,249,133
Other current liabilities	21	2,281,706	-	2,281,706	3,190,581	-	3,190,581
Provisions	22	2,096,223	-	2,096,223	2,106,032	-	2,106,032
Income tax liabilities (net)	23	1,003,500	-	1,003,500	-	-	-
<b>Total Liabilities</b>		<b>32,004,297</b>	<b>-</b>	<b>32,004,297</b>	<b>39,206,883</b>	<b>-</b>	<b>39,206,883</b>
<b>TOTAL</b>		<b>85,999,927</b>	<b>-</b>	<b>85,999,927</b>	<b>90,299,947</b>	<b>-</b>	<b>90,299,947</b>

Significant Accounting Policies 1

See accompanying notes to the financial statements 1 to 37

As per our report of even date attached

For Ajay Sharma & Company

Firm Registration Number: 013306C

Chartered Accountants

(CA Ajay Sharma)

Proprietor

Membership Number: 404968

Place: Pithampur

Date : 30th May 2018

For and on behalf of Board of Directors

**Atul Kumar Sethi**

Managing Director

DIN-00245685

**Amita Sethi**

Whole time Director

DIN-00245722

**Ashok Atulkar**

Chief Financial Officer

**Purnima Nagpal**

Company Secretary

**Shree Pacetronix Limited**

Plot No-15, Sector-II, Pithampur, Distt-Dhar, MP-454775 (INDIA)

CIN: L33112MP1988PLC004317

**2.2 Reconciliation**

Reconciliation Statement of Profit and Loss Between Previous IGAAP And Ind AS Is As Under

(In INR Rs.)

Particulars	Note	Year ended March 31, 2017		
		IGAAP	Effects of to Transition Ind-AS	Ind AS
Revenue from operations	24	68,399,565	-	68,399,565
Other income	25	42,363	-	542,363
<b>Total revenue</b>		<b>68,941,928</b>	<b>-</b>	<b>68,941,928</b>
<b>Expenses</b>				
Cost of materials consumed	26	20,478,817	-	20,478,817
Changes in inventories of finished goods, work in progress and stock-in-trade	27	4,598,700	-	4,598,700
Employee benefit expense	28	15,090,376	-	15,090,376
Finance cost	29	3,797,509	-	3,797,509
Depreciation and amortisation expense	3	5,706,599	-	5,706,599
Other expense	30	23,275,983	-	23,275,983
Total expenses		<b>72,947,983</b>	<b>-</b>	<b>72,947,983</b>
Profit/ (loss) before tax		(4,006,055)	-	(4,006,055)
Tax expense				
Current tax	31	207,171	-	207,171
Deferred tax	6	(1,310,660)	-	(1,310,660)
<b>Profit/ (loss) for the period from continuing operations</b>				
<b>Profit/ (loss) for the year</b>		(2,902,566)	-	(2,902,566)
<b>Other comprehensive income</b>				
<b>Total comprehensive income for the year</b>		(2,902,566)	-	(2,902,566)
<b>Earnings per equity share of face value of 10 each</b>	32			
a) Basic		(0.81)	-	(0.81)
b) Diluted		(0.81)	-	(0.81)
Significant Accounting Policies	1			
See accompanying notes to the financial statements	1 to 37			

As per our report of even date attached

For Ajay Sharma & Company  
Firm Registration Number: 013306C

Chartered Accountants

**(CA Ajay Sharma)**

Proprietor

Membership Number: 404968

Place: Pithampur

Date : 30th May 2018

For and on behalf of Board of Directors

**Atul Kumar Sethi**Managing Director  
DIN-00245685**Amita Sethi**Whole time Director  
DIN-00245722**Ashok Atulkar**  
Chief Financial Officer**Purnima Nagpal**  
Company Secretary

## Notes to the financial statements as of and for the year ended March 31, 2018

## 3.1 Property, Plant and Equipment

Particulars	Gross block (at cost)				Depreciation / Amortisation				Net block					
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to April 1, 2016	For the year 2016-17	Deductions/ Adjustments	Up to March 31, 2017	For the year 2017-18	Deductions/ Adjustments	Up to March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at April 1, 2016
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	-	-	-	193,350	193,350	193,350
Buildings	14,903,735	-	-	14,903,735	9,098,079	556,612	-	9,654,691	503,213	-	10,157,904	5,249,044	4,745,831	5,805,656
Plant & Machineries	49,923,686	495,264	-	50,418,950	38,007,500	2,706,746	-	40,714,246	2,092,822	-	42,807,068	9,704,704	8,542,562	11,916,186
Furniture & Fixture	3,428,108	-	-	3,428,108	3,479,225	51,117	-	3,205,300	21,033	-	3,246,322	202,819	232,903	222,808
Vehicles	8,137,726	1,096,380	1,390,250	7,843,856	1,820,076	1,447,819	769,216	5,045,561	969,126	-	6,014,687	3,649,245	2,798,295	3,770,768
Office Equipments	1,543,388	129,399	-	1,672,787	46,040	85,207	-	1,498,502	57,502	-	1,556,004	174,285	162,823	130,093
Computers	3,458,626	24,000	-	3,482,626	43,307	34,144	-	3,276,604	33,611	-	3,310,215	206,022	215,718	216,166
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-	245,392	-	-	-
Total	81,834,011	1,745,043	1,390,250	82,188,804	2,891,220	4,850,517	769,216	63,660,285	3,677,307	-	67,337,592	17,742,432	18,528,519	22,255,027

## 3.2 Capital Work in progress

Particulars	Gross block (at cost)				Depreciation / Amortisation				Net block					
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to April 1, 2016	For the year 2016-17	Deductions/ Adjustments	Up to March 31, 2017	For the year 2017-18	Deductions/ Adjustments	Up to March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at April 1, 2016
Capital Work in Progress	-	7,738,762	-	7,738,762	-	-	-	-	-	-	-	-	-	-
Total	-	7,738,762	-	7,738,762	-	-	-	-	-	-	-	-	-	-

## 3.3 Intangible assets

Particulars	Gross block (at cost)				Depreciation / Amortisation				Net block					
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to April 1, 2016	For the year 2016-17	Deductions/ Adjustments	Up to March 31, 2017	For the year 2017-18	Deductions/ Adjustments	Up to March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at April 1, 2016
Technology Purchase	8,084,914	-	-	8,084,914	6,705,187	808,491	-	7,513,678	166,990	-	7,680,668	404,246	571,236	1,379,727
Software	475,900	-	-	475,900	142,118	47,590	-	189,708	47,590	-	237,298	238,602	286,192	333,782
Total	8,560,814	-	-	8,560,814	6,847,305	856,081	-	7,703,386	214,580	-	7,917,966	642,848	857,428	1,713,509



## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
4 Non- current Investments			
Investment measured at cost			
In Equity Shares of Subsidiary Company unquoted			
800000 fully paid up equity shares of Rs. 10 each of			
Shree Coratomic Ltd.	8,000,000	8,000,000	8,000,000
	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
5 Other financial assets			
(Unsecured, considered good )			
Security and other deposits	1,596,035	1,388,278	1,396,318
	<u>1,596,035</u>	<u>1,388,278</u>	<u>1,396,318</u>
6 Deferred tax assets (Net)			
The movement on the deferred tax account is as follows:			
At the start of the year	1,631,700	321,040	
Charge/(credit) to Statement of Profit and Loss	(253,420)	1,310,660	
At the end of year	<u>1,378,280</u>	<u>1,631,700</u>	<u>321,040</u>
Component of Deferred tax assets/(liabilities)			
Deferred tax assets/(liabilities) in relation to :			
Property, plant and equipment	1,055,130	(324,030)	731,100
Provisions	<u>576,570</u>	<u>70,610</u>	<u>647,180</u>
Total	<u>1,631,700</u>	<u>(253,420)</u>	<u>1,378,280</u>
7 Income Tax Assets			
Mat Receivable	122,590	-	-
Advance Tax	<u>209,773</u>	<u>209,773</u>	<u>209,773</u>
	<u>332,363</u>	<u>209,773</u>	<u>209,773</u>
8 Inventories			
Finished goods	6,435,294	6,395,103	8,284,950
Stock-in-process	4,918,996	6,456,697	9,165,550
Raw materials	<u>11,146,520</u>	<u>12,864,437</u>	<u>7,834,569</u>
	<u>22,500,810</u>	<u>25,716,237</u>	<u>25,285,069</u>
9 Trade receivables			
(Unsecured, considered good )			
Trade receivables	<u>31,545,918</u>	<u>19,150,067</u>	<u>15,973,451</u>
	<u>31,545,918</u>	<u>19,150,067</u>	<u>15,973,451</u>
10 Cash and cash Equivalents			
Cash on hand	203,548	197,127	946,882
Balances with banks	1,589,242	987,933	961,933
Cash & Cash Equivalent as per balance sheet	<u>1,792,790</u>	<u>1,185,060</u>	<u>1,908,815</u>
Cash & Cash Equivalent as per statement of cash flow	<u>1,792,790</u>	<u>1,185,060</u>	<u>1,908,815</u>
11 Loans			
(Unsecured, considered good )			
Advance to employees	<u>455,359</u>	<u>2,227,343</u>	<u>1,135,681</u>
	<u>455,359</u>	<u>2,227,343</u>	<u>1,135,681</u>
12 Other Financial Assets			
Accrued Interest on Fixed Deposit with Banks	<u>495,410</u>	<u>397,428</u>	<u>276,822</u>
	<u>495,410</u>	<u>397,428</u>	<u>276,822</u>
13 Other current assets			
(Unsecured, considered good )			
Advance to vendors	852,626	1,472,767	6,117,895
Advances recoverable in cash or kind	1,519,359	1,782,545	1,396,774
Advance Tax	<u>14,041</u>	<u>14,041</u>	<u>9,753</u>
	<u>2,386,026</u>	<u>3,269,353</u>	<u>7,524,422</u>

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
14 Share capital			
Authorised			
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	50,000,000	50,000,000	50,000,000
Issued, subscribed and paid up			
35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	35,994,000	35,994,000	35,994,000
	<u>35,994,000</u>	<u>35,994,000</u>	<u>35,994,000</u>
(a) Rights, preferences and restrictions attached to shares			
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.			
(b) Reconciliation of number of shares			
Particulars	As at March 31, 2018 No. of shares	As at March 31, 2017 No. of shares	As at April 1st, 2016 No. of shares
Balance as at the beginning of the year	3,599,400	3,599,400	3,599,400
Add: Shares issued during the year	-	-	-
Balance at the end of the year	<u>3,599,400</u>	<u>3,599,400</u>	<u>3,599,400</u>
(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company			
Particulars	Percentage holding as at March 31, 2018	Percentage holding as at March 31, 2017	Percentage holding as at April 01, 2016
Mr. Atul Kumar Sethi	19.60%	19.60%	19.60%
705406 (Previous year: 705406) shares of Rs.10 each			
Bio Pace Technology	8.21%	8.21%	8.21%
295432 (Previous year: 295432) shares of Rs.10 each			
Mathew Samul Kalarickal	11.72%	9.94%	9.07%
421876 (Previous year: 357795) shares of Rs.10 each			
15 Other Equity	March 31, 2018 Rupees	March 31, 2017 Rupees	April 01, 2016 Rupees
Capital investment subsidy			
Balance as per last Financial Statements	1,500,000	1,500,000	1,500,000
Balance as at the end of the year	1,500,000	1,500,000	1,500,000
Securities Premium			
Balance as per last Financial Statements	4,673,108	4,673,108	4,673,108
Add: Increase during the year	1,113,000	-	-
Balance as at the end of the year	5,786,108	4,673,108	4,673,108
Surplus / (Deficit) in Statement of Profit and Loss			
Balance as per last Financial Statements	8,925,956	11,828,522	11,918,531
Profit/ (Loss) for the year	763,237	(2,902,566)	(90,009)
Balance at the end of the year	<u>9,689,193</u>	<u>8,925,956</u>	<u>11,828,522</u>
	<u>16,975,301</u>	<u>15,099,064</u>	<u>18,001,630</u>
16 Borrowings			
Term loan - Secured			
HDFC Bank Ltd. (Car)	-	1,653,787	2,213,749
HDFC Bank Ltd. (Car)	-	74,431	240,359
Bank of India	2,280,000	3,420,000	-
HDFC Bank Ltd. (Car)	1,120,259	-	-
	<u>3,400,259</u>	<u>5,148,218</u>	<u>2,454,108</u>
Nature of security:			
Secured loans			
1 Term loans from HDFC Bank Ltd is secured by hypothecation of vehicles.			
2 Term loan from Bank of India is secured by hypothecation of Plant and Machineries. Further secured by Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar and personal guarantee of Managing Director Shri Atul Kumar Sethi and Whole Time Director Mrs. Amita Sethi.			

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
Maturity profile of long term borrowings			
Secured loans			
2017-18	-	-	725,890
2018-19	-	1,858,052	718,052
2019-20	1,388,713	1,879,778	739,778
2020-21	1,412,776	1,410,388	270,388
2021-22	299,168	-	-
2022-23	299,602	-	-
	<u>3,400,259</u>	<u>5,148,218</u>	<u>2,454,108</u>
17 Other financial liabilities			
Deposit from customers	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
18 Borrowings (Current)			
Working capital loan - Secured			
From Bank of india	<u>18,280,412</u>	<u>19,337,121</u>	<u>15,787,608</u>
	<u>18,280,412</u>	<u>19,337,121</u>	<u>15,787,608</u>
The cash credit facilities availed from Bank of India are secured by hypothecation of the Company's current assets consisting of stock of Finished Goods, Stock in Process, Raw Materials. and book debts both present and future. Further secured by First Charge over fixed assets of the company and personal guarantee of Managing Director Shri Atul Kumar Sethi and Whole Time Director Mrs. Amita Sethi.			
19 Trade payables			
Micro, small and medium enterprises	1,232,470	1,177,399	1,319,780
Others	<u>2,380,415</u>	<u>748,399</u>	<u>957,136</u>
	<u>3,612,885</u>	<u>1,925,798</u>	<u>2,276,916</u>
No amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.			
20 Other financial liabilities			
Current maturities of long term debts*	1,366,772	1,865,890	636,609
Other payables	<u>5,248,372</u>	<u>5,383,243</u>	<u>5,217,627</u>
	<u>6,615,144</u>	<u>7,249,133</u>	<u>5,854,236</u>
Nature of security :			
* It includes loan from Bank of India and HDFC Bank Ltd to be repayable within a period of one year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.			
21 Other current liabilities			
Statutory dues	850,385	913,565	1,128,889
Advance from customers	<u>446,718</u>	<u>2,277,016</u>	<u>1,152,817</u>
	<u>1,297,103</u>	<u>3,190,581</u>	<u>2,281,706</u>
22 Provisions - Current			
Provision for Employee benefits	<u>2,244,412</u>	<u>2,106,032</u>	<u>2,096,223</u>
	<u>2,244,412</u>	<u>2,106,032</u>	<u>2,096,223</u>
23 Income Tax Liabilities			
Provision for income tax	<u>198,755</u>	-	<u>1,003,500</u>
	<u>198,755</u>	-	<u>1,003,500</u>
24 Revenue from operations			
Sale of products (Net of Taxes)	<u>65,988,913</u>	<u>68,399,565</u>	
	<u>65,988,913</u>	<u>68,399,565</u>	
25 Other income/Interest			
Profit on sale of fixed assets	118,063	141,897	
Other Receipts	-	78,966	
	-	321,500	
	<u>118,063</u>	<u>542,363</u>	
26 Cost of materials consumed			
Inventory at the beginning of the year	12,864,437	7,834,569	
Add: Purchases	23,964,835	25,508,685	
Less: Inventory at the end of the year	<u>11,146,520</u>	<u>12,864,437</u>	
	<u>25,682,752</u>	<u>20,478,817</u>	

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017
27 Changes in inventories of finished goods and work-in-progress and stock-in-trade		
Inventory at the beginning of the year (a)		
Finished goods	6,395,103	8,284,950
Stock in process	6,456,697	9,165,550
	<u>12,851,800</u>	<u>17,450,500</u>
Inventory at the end of the year (b)		
Finished goods	6,435,294	6,395,103
Stock in process	4,918,996	6,456,697
	<u>11,354,290</u>	<u>12,851,800</u>
Increase in inventories (a) - (b)	<u>1,497,510</u>	<u>4,598,700</u>
28 Employee benefits expense		
Salaries and wages	15,009,167	13,947,611
Contribution to provident and other funds	642,388	866,335
Staff welfare expenses	272,973	276,430
	<u>15,924,528</u>	<u>15,090,376</u>
29 Finance costs		
Interest on term loan	463,647	571,332
Interest-others	2,283,164	3,119,145
Bank charges	317,068	107,032
	<u>3,063,880</u>	<u>3,797,509</u>
30 Other expenses		
Manufacturing expenses (a)		
Consumables	81,717	53,773
Entry tax	106,747	484,332
Exchange difference (net)	(21,791)	(53,647)
Freight inward	647,446	557,580
Insurance	144,475	33,237
Job Work & Labour Charges	201,735	303,723
Laboratory Expenses	101,050	91,820
Power, fuel and water	1,009,056	1,238,954
Repairs to Others	203,577	99,875
Repairs to buildings	232,415	107,828
Repairs to plant and equipments	456,110	1,037,568
Fees for Technical Services	529,796	1,178,834
	<u>3,692,333</u>	<u>5,133,877</u>
Selling and distribution expenses (b)		
Advertisement expenses	65,041	20,841
Packing materials	481,468	738,338
Commission	250,511	312,565
Implantation Charges	1,363,540	1,912,465
Travelling expenses	3,485,788	4,274,780
Freight outward	224,443	404,241
Selling and business promotion expenses	1,147,285	3,221,671
	<u>7,018,075</u>	<u>10,884,901</u>
Establishment Expenses (c)		
Auditor's remuneration	150,000	120,000
Conveyance	192,770	187,219
Courier and postage charges	146,699	152,715
Professional charges	1,374,178	2,108,980
Miscellaneous expenses	174,386	487,819
Printing and stationery	143,632	159,089
Rates and taxes	215,425	265,284
Rent	152,000	100,400
Telephone and mobile expenses	153,410	211,237
Vehicle running & Maintenance Expenses	756,753	703,296

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017	
Bad Debts	344,770	-	
R & D Expenses	427,451	2,761,166	
	4,231,474	7,257,205	
(a)+(b)+(c)	<u>14,941,882</u>	<u>23,275,983</u>	
31 Taxation			
Income tax recognised in Statement of Profit and Loss			
Current tax	87,880	207,171	
Deferred tax	253,420	(1,310,660)	
Total income tax expenses recognised in the current year	<u>341,300</u>	<u>(1,103,489)</u>	
32 Earnings per share			
Profit after tax (a)	763,237	(2,902,566)	
Weighted average number of equity shares outstanding (b)	3,599,400	3,599,400	
Nominal value of an equity share	10	10	
Earnings per share			
Basic [(a) / (b)]	0.21	(0.81)	
Diluted [(a) / (b)]	<u>0.21</u>	<u>(0.81)</u>	
33 Contingent liabilities			
(i) The disputed demand of income tax	280,000	280,000	
(ii) Corporate Guarantee	<u>7,000,000</u>	<u>-</u>	
The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary.			
34 Payment to auditors			
For statutory audit	120,000	90,000	
For tax audit	30,000	25,000	
For Other Services	<u>-</u>	<u>5,000</u>	
35 Segment reporting			
A. Primary segment			
As the company's business activity falls within a single primary business segment i.e. "Life Saving Devices" hence there is no primary segments wise information to report as per Accounting Standard -17 "Segment Reporting".			
B. Secondary segment			
Particulars *	India	Rest of the world	Total
i) Segment revenue	56,170,898	9,818,015	65,988,913
	(61,448,048)	(6,951,517)	(68,399,565)
ii) Carrying cost of segment assets	88,868,271	-	88,868,271
	(90,299,947)	-	(90,299,947)
iii) Addition to Fixed Assets	2,891,220	-	2,891,220
	<u>(1,745,043)</u>	<u>-</u>	<u>(1,745,043)</u>
* Previous year's figures are shown under brackets.			
36 Related party disclosures			
"As per accounting standard-18 'Related Party Disclosures' as prescribed under Companies (Accounting Standards) Rules, the Company's related parties and transactions are disclosed below.			
A Subsidiary Company			
Shree Coratomic Ltd			
B. Key management personnel and relatives of such personnel			
(I) Key Management Personnel			
Atul Kumar Sethi	Managing Director		
Amita Sethi	Whole time Director		
Vikas Gokhale	Whole time Director		
Anil Rathi	Director		
Praveen Badjatya	Director		
Sushil Kumar Patni	Director		
(II) Relatives of Key Management personnel and their enterprises where transactions have taken place			
Mrs. Yamini Gokhale			

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017
Details of transactions and closing balances	As at March 31st, 2018	As at March 31st, 2017
Shree Coratomic Ltd		
Sale of Goods	6,858,000	2,707,500
Closing Balance - Payable/(Receivable)	(9,202,057)	136,491
Mr. Aul Kumar Sethi		
Director Remuneration	2,400,000	2,515,200
Closing Balance - Payable	898,944	573,212
Mrs. Amita Sethi		
Director Remuneration	600,000	631,800
Mr. Vikas Gokhale		
Director Remuneration	966,000	968,376
Commission	110,800	
Mrs. Yamini Gokhale		
Commission	-	40,111

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

As per our report of even date attached

For Ajay Sharma & Company  
Firm Registration Number: 013306C  
Chartered Accountants  
**(CA Ajay Sharma)**  
Proprietor  
Membership Number: 404968  
Place: Pithampur  
Date : 30th May 2018

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

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Purnima Nagpal**  
Company Secretary

## Independent Auditors' Report on Consolidated Financial Statements

### To the Members of Shree Pacetronix Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Shree Pacetronix Limited (herein after referred to as "the Holding Company") and its subsidiary ( the Holding Company and its Subsidiary together referred to as "the Group"), comprising of the consolidated balance sheet as at March 31, 2018, the consolidated statement of Profit and Loss(including Other Comprehensive Income), the consolidated cash flow statement and the Consolidated Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income , consolidated cash flows and change in equity of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under. The Respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

#### Auditors' Responsibility

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group, as at March 31, 2018, and their consolidated profit and their consolidated cash flows and consolidated changes in equity for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated cash flow statement and the Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued there under.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

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

**CA Ajay Sharma**  
Proprietor  
Membership No. 404968

Place: Pithampur  
Date : May 30, 2018



## Annexure A to Independent Auditors Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of Shree Pacetronix Ltd. on the consolidated financial statements as of and for the year ended March 31, 2018. We report that:

### Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Shree Pacetronix Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") incorporated in India, as of the date.

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

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

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiaries incorporated in India, internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

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

(CA Ajay Sharma)

Proprietor

Membership Number: 404968

Place: Pithampur  
Date : 30th May 2018

Particulars	Note	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3.1	17,781,540	18,569,832	22,300,104
Capital work-in-progress	3.2	9,880,602	7,738,762	-
Intangible assets	3.3	1,042,848	1,590,762	3,246,843
Financial assets				
- Other financial assets	4	2,158,601	2,066,260	2,096,300
Deferred tax assets (Net)	5	1,775,470	2,261,430	820,040
Income Tax Assets (Net)	6	682,323	416,333	416,333
<b>Total Non current assets</b>		<b>33,321,384</b>	<b>32,643,379</b>	<b>28,879,620</b>
<b>Current assets</b>				
Inventories	7	22,538,824	25,750,585	25,325,069
Financial assets				
- Trade receivables	8	26,689,833	21,525,473	18,049,562
- Cash and cash equivalents	9	2,250,032	1,201,564	3,397,135
- Loans	10	508,259	3,654,502	2,475,749
- Other financial assets	11	495,410	397,428	276,822
Other current assets	12	3,219,979	3,188,286	7,538,575
<b>Total current assets</b>		<b>55,702,337</b>	<b>55,717,838</b>	<b>57,062,912</b>
<b>TOTAL ASSETS</b>		<b>89,023,721</b>	<b>88,361,217</b>	<b>85,942,532</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	13	35,994,000	35,994,000	35,994,000
Other equity	14	16,021,618	13,585,195	16,830,920
Non Controlling Interest		6,181	5,726	5,991
<b>Total Equity</b>		<b>52,021,799</b>	<b>49,584,921</b>	<b>52,830,911</b>
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	15	3,400,259	5,148,218	2,454,108
- Other financial liabilities	16	250,000	250,000	250,000
<b>Current liabilities</b>				
Financial liabilities				
- Borrowings	17	18,976,314	20,100,755	16,590,181
- Trade payables	18	3,670,214	1,976,766	2,276,916
- Other financial liabilities	19	6,796,833	7,385,333	5,947,320
Other current liabilities	20	1,321,735	1,809,192	2,493,373
Provisions	21	2,244,412	2,106,032	2,096,223
Income tax liabilities (net)	22	342,155	-	1,003,500
<b>Total Liabilities</b>		<b>37,001,922</b>	<b>38,776,296</b>	<b>33,111,621</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>89,023,721</b>	<b>88,361,217</b>	<b>85,942,532</b>
Significant Accounting Policies	1			

See accompanying notes to the financial statements 1 to 37

As per our report of even date attached

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

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

Place: Pithampur  
Date : 30th May 2018

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

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

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

**Ashok Atulkar**  
Chief Financial Officer

**Purnima Nagpal**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018

(In INR Rs.)

Particulars	Note	Year Ended March 31st , 2018	Year Ended March 31st , 2017
Revenue from operations	23	68,030,370	69,429,021
Other income	24	118,063	542,363
<b>Total revenue</b>		<b>68,148,433</b>	<b>69,971,384</b>
<b>Expenses</b>			
Cost of materials consumed	25	25,682,752	21,153,171
Purchases of stock in trade		9,120	99,042
Changes in inventories of finished goods, work in progress and stock-in-trade	26	1,493,844	4,604,352
Employee benefit expense	27	16,192,028	17,282,688
Finance cost	28	3,245,614	4,001,469
Depreciation and amortisation expense	3	4,227,426	6,510,362
Other expense	29	15,399,931	20,800,509
<b>Total expenses</b>		<b>66,250,715</b>	<b>74,451,593</b>
<b>Profit/ (loss) before tax</b>		<b>1,897,718</b>	<b>(4,480,209)</b>
Tax expense			
Current tax		87,880	207,171
Deferred tax		485,960	(1,441,390)
<b>Profit/ (loss) for the year</b>		<b>1,323,878</b>	<b>(3,245,990)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,323,878</b>	<b>(3,245,990)</b>
<b>Profit for the year attributable to:</b>			
Equity holders of the Company		1,323,423	(3,245,725)
Non-controlling interest		455	(265)
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the Company		1,323,423	(3,245,725)
Non-controlling interest		455	(265)
<b>Earnings per equity share (for continuing operations)</b>	27		
a) Basic		0.37	(0.90)
b) Diluted		0.37	(0.90)
Significant Accounting Policies	1		

As per our report of even date attached

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

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

Place: Pithampur  
Date : 30th May 2018

For and on behalf of Board of Directors

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

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

**Ashok Atulkar**  
Chief Financial Officer

**Purnima Nagpal**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31ST, 2018**

(in ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	1,897,718	(4,480,209)
Adjusted for:		
Depreciation and Amortisation Expense	4,227,426	6,510,362
Interest Income	118,063	(141,897)
Interest paid	3,245,614	4,001,469
Profit on sale of fixed assets	-	(78,966)
	7,591,103	10,290,968
Operating Profit before Working Capital Changes	9,488,821	5,810,759
Adjusted for:		
Trade & other Receivables	(2,147,792)	(390,653)
Inventories	3,211,761	(425,516)
Trade & Other Payables	755,870	463,491
	1,819,840	(352,678)
Cash Generated from Operations	11,308,661	5,458,081
Taxes Paid	(11,715)	(1,214,959)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>11,296,946</b>	<b>4,243,122</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash flow from Other financial assets	(92,341)	-
Transfer of Fixed Assets	-	700,000
Purchase of Fixed Assets	(5,033,060)	(9,483,805)
Interest Income	(118,063)	141,897
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(5,243,464)</b>	<b>(8,641,908)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	(1,747,959)	2,694,110
Proceeds from Short Term Borrowings (Net)	(1,124,441)	3,510,574
Interest Paid	(3,245,614)	(4,001,469)
Security Premium	1,113,000	-
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(5,005,013)</b>	<b>2,203,215</b>
Net Increase / Decrease (-) in Cash and Cash Equivalents	1,048,468	(2,195,571)
Opening Balance of Cash and Cash Equivalents	1,201,564	3,397,135
Closing Balance of Cash and Cash Equivalents	2,250,032	1,201,564

As per our report of even date attached

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

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

Place: Pithampur  
Date : 30th May 2018

For and on behalf of Board of Directors

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

**Ashok Atulkar**  
Chief Financial Officer

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

**Purnima Nagpal**  
Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

## A. Equity Share Capital

	Note	Amount
<b>As at 1st April 2016</b>	35,994,000	
Changes in Equity Share during the year		
<b>As at 31st March 2017</b>	35,994,000	
Changes in Equity Share during the year		
<b>As at 31st March 2018</b>	35,994,000	

B. Other Equity	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other Comprehensive Income	Total
<b>As at 1st April 2016</b>	1,500,000	4,673,108	10,657,812	-	16,830,920
Profit for the year	-	-	(3,245,725)	-	(3,245,725)
Other Comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
<b>As at 31st March 2017</b>	1,500,000	4,673,108	7,412,087	-	13,585,195
Profit for the year	-	-	1,323,423	-	1,323,423
Increase during the year	-	1,113,000	-	-	1,113,000
Other Comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
<b>As at 31st March 2018</b>	1,500,000	5,786,108	8,735,510	-	16,021,618

**Notes to the Consolidated financial statements as of and for the year ended March 31, 2018**

## 1. Company overview and Significant accounting policies

**a) Company overview**

Shree Pacetronix Ltd. ("the Company") is a listed entity incorporated in India. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

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

The consolidated financial statements have been prepared on the historical cost basis except for certain assets and liabilities which have been measured at fair value amount: The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. Upto the year ended March 31, 2017, the Group has prepared its consolidated financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP". These consolidated financial statements are the Group's first Ind AS consolidated financial statements. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III. The Company's consolidated financial statements are presented in Indian Rupees.

**c) Principle of consolidation :**

The consolidated financial statements relate to Shree Pacetronix Ltd. ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:-

- I. The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- II. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- III. Offset (eliminate) the carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of each subsidiary.
- IV. Non Controlling Interest's share of profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- V. Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

**d) Other significant accounting policies**

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

**2.1 Reconciliation**

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101 Reconciliation of Equity Between Previous IGAAP and Ind AS is as Under

Particulars	Notes	Opening Balance Sheet as at April 01, 2016			Balance Sheet as at March 31, 2017		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	3.1	22,300,104	-	22,300,104	18,569,832	-	18,569,832
Capital work-in-progress	3.2		-	-	7,738,762	-	7,738,762
Intangible assets	3.3	3,246,843	-	3,246,843	1,590,762	-	1,590,762
Financial assets							
- Other financial assets	4	2,096,300	-	2,096,300	2,066,260	-	2,066,260
Deferred tax assets (Net)	5	820,040	-	820,040	2,261,430	-	2,261,430
Income Tax Assets (Net)	6	416,333	-	416,333	416,333	-	416,333
<b>Total Non current assets</b>		<b>28,879,620</b>	<b>-</b>	<b>28,879,620</b>	<b>32,643,379</b>	<b>-</b>	<b>32,643,379</b>
<b>Current assets</b>							
Inventories	7	25,325,069	-	25,325,069	25,750,585	-	25,750,585
Financial assets							
- Trade receivables	8	18,049,562	-	18,049,562	21,525,473	-	21,525,473
- Cash and cash equivalents	9	3,397,135	-	3,397,135	1,201,564	-	1,201,564
- Loans	10	2,475,749	-	2,475,749	3,654,502	-	3,654,502
- Other financial assets	11	276,822	-	276,822	397,428	-	397,428
Other current assets	12	7,538,575	-	7,538,575	3,188,286	-	3,188,286
<b>Total current assets</b>		<b>57,062,912</b>	<b>-</b>	<b>57,062,912</b>	<b>55,717,838</b>	<b>-</b>	<b>55,717,838</b>
<b>TOTAL ASSETS</b>		<b>85,942,532</b>	<b>-</b>	<b>85,942,532</b>	<b>88,361,217</b>	<b>-</b>	<b>88,361,217</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share capital	13	35,994,000	-	35,994,000	35,994,000	-	35,994,000
Other equity	14	16,830,920	-	16,830,920	13,585,195	-	13,585,195
Non Controlling Interest		5,991	-	5,991	5,726	-	5,726
<b>Total Equity</b>		<b>52,830,911</b>	<b>-</b>	<b>52,830,911</b>	<b>49,584,921</b>	<b>-</b>	<b>49,584,921</b>
<b>Non-current liabilities</b>							
Financial liabilities							
- Borrowings	15	2,454,108	-	2,454,108	5,148,218	-	5,148,218
- Other financial liabilities	16	250,000	-	250,000	250,000	-	250,000
<b>Current liabilities</b>							
Financial liabilities							
- Borrowings	17	16,590,181	-	16,590,181	20,100,755	-	20,100,755
- Trade payables	18	2,276,916	-	2,276,916	1,976,766	-	1,976,766
- Other financial liabilities	19	5,947,320	-	5,947,320	7,385,333	-	7,385,333
Other current liabilities	20	2,493,373	-	2,493,373	1,809,192	-	1,809,192
Provisions	21	2,096,223	-	2,096,223	2,106,032	-	2,106,032
Income tax liabilities (net)	22	1,003,500	-	1,003,500	-	-	-
<b>Total Liabilities</b>		<b>33,111,621</b>	<b>-</b>	<b>33,111,621</b>	<b>38,776,296</b>	<b>-</b>	<b>38,776,296</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>85,942,532</b>	<b>-</b>	<b>85,942,532</b>	<b>88,361,217</b>	<b>-</b>	<b>88,361,217</b>

Significant Accounting Policies 1

See accompanying notes to the financial statements 1 to 37

As per our report of even date attached

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

**(CA Ajay Sharma)**

Proprietor

Membership Number: 404968

Place: Pithampur

Date : 30th May 2018

For and on behalf of Board of Directors

**Atul Kumar Sethi**

Managing Director

DIN-00245685

**Amita Sethi**

Whole time Director

DIN-00245722

**Ashok Atulkar**

Chief Financial Officer

**Purnima Nagpal**

Company Secretary

## 2.2 Reconciliation

Reconciliation Statement of Profit and Loss Between Previous IGAAP And Ind AS Is As Under

(In INR Rs.)

Particulars	Note	Year ended March 31, 2017		
		IGAAP	Effects of Transition to Ind-AS	Ind AS
Revenue from operations	23	69,429,021	-	69,429,021
Other income	24	542,363	-	542,363
<b>Total revenue</b>		69,971,384	-	69,971,384
<b>Expenses</b>				
Cost of materials consumed	25	21,153,171	-	21,153,171
Purchases of stock in trade		99,042	-	99,042
Changes in inventories of finished goods, work in progress and stock-in-trade	26	4,604,352	-	4,604,352
Employee benefit expense	27	17,282,688	-	17,282,688
Finance cost	28	4,001,469	-	4,001,469
Depreciation and amortisation expense	3	6,510,362	-	6,510,362
Other expense	29	20,800,509	-	20,800,509
Total expenses		74,451,593	-	74,451,593
Profit/ (loss) before tax		(4,480,209)	-	(4,480,209)
Tax expense				
Current tax		207,171	-	207,171
Deferred tax		(1,441,390)	-	(1,441,390)
Profit/ (loss) for the year		(3,245,990)	-	(3,245,990)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		(3,245,990)	-	(3,245,990)
<b>Profit for the year attributable to:</b>				
Equity holders of the Company		(3,245,725)	-	(3,245,725)
Non-controlling interest		(265)	-	(265)
<b>Total comprehensive income for the year attributable to:</b>				
<b>Equity holders of the Company</b>		(3,245,725)	-	(3,245,725)
Non-controlling interest		(265)	-	(265)
<b>Earnings per equity share (for continuing operations)</b>		27		
<b>a) Basic</b>		(0.90)	-	(0.90)
<b>b) Diluted</b>		(0.90)	-	(0.90)
Significant Accounting Policies	1			
<b>See accompanying notes to the financial statements</b>		1 to 37		

As per our report of even date attached

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

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

Place: Pithampur  
Date : 30th May 2018

For and on behalf of Board of Directors

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

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

**Ashok Atulkar**  
Chief Financial Officer

**Purnima Nagpal**  
Company Secretary



## Notes to the financial statements as of and for the year ended March 31, 2018

## 3.1 Property, Plant and Equipment

Particulars	Gross block (at cost)					Depreciation / Amortisation					Net block			
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to April 1, 2016	For the year 2016-17	Deductions/ Adjustments	Up to March 31, 2017	For the year 2017-18	Deductions/ Adjustments	Up to March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at April 1, 2016
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	-	-	-	193,350	193,350	193,350
Buildings	14,903,735	-	-	14,903,735	9,098,079	556,612	-	9,654,691	503,213	-	10,157,904	4,745,831	5,249,044	5,805,656
Plant & Machineries	49,923,666	495,264	-	50,418,950	38,007,500	2,706,746	-	40,714,246	2,092,822	-	42,807,068	8,542,562	9,704,704	11,916,186
Furniture & Fixture	3,561,651	-	-	3,561,651	3,329,670	20,744	-	3,350,414	21,585	-	3,371,999	240,769	211,237	231,981
Vehicles	8,137,726	1,096,380	-	7,843,856	4,366,958	1,447,819	-	5,045,561	969,126	-	6,014,687	3,649,245	2,798,295	3,770,768
Office Equipments	1,671,778	129,399	-	1,807,177	1,535,361	88,216	-	1,623,577	59,155	-	1,682,732	170,485	183,600	142,417
Computers	3,930,219	24,000	-	3,954,219	3,690,473	34,144	-	3,724,617	33,611	-	3,758,228	239,298	229,602	239,746
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-	245,392	-	-	-
<b>Total</b>	<b>82,573,537</b>	<b>1,745,043</b>	<b>1,390,250</b>	<b>82,928,330</b>	<b>60,273,433</b>	<b>4,854,281</b>	<b>769,216</b>	<b>64,358,498</b>	<b>3,679,512</b>	<b>-</b>	<b>68,038,010</b>	<b>17,781,540</b>	<b>18,569,832</b>	<b>22,300,104</b>

## 3.2 Capital Work in progress

Particulars	Gross block (at cost)					Depreciation / Amortisation					Net block			
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to April 1, 2016	For the year 2016-17	Deductions/ Adjustments	Up to March 31, 2017	For the year 2017-18	Deductions/ Adjustments	Up to March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at April 1, 2016
Capital Work in Progress	-	7,738,762	-	7,738,762	-	-	-	-	-	-	-	7,738,762	9,880,602	-
<b>Total</b>	<b>-</b>	<b>7,738,762</b>	<b>-</b>	<b>7,738,762</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,738,762</b>	<b>9,880,602</b>	<b>-</b>

## 3.3 Intangible assets

Particulars	Gross block (at cost)					Depreciation / Amortisation					Net block			
	As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017	Up to April 1, 2016	For the year 2016-17	Deductions/ Adjustments	Up to March 31, 2017	For the year 2017-18	Deductions/ Adjustments	Up to March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at April 1, 2016
Technology Purchase	16,084,914	-	-	16,084,914	13,171,853	1,608,491	-	14,780,344	500,324	-	15,280,668	804,246	1,304,570	2,913,061
Software	475,900	-	-	475,900	142,118	47,590	-	189,708	47,590	-	237,298	238,602	286,192	333,782
<b>Total</b>	<b>16,560,814</b>	<b>-</b>	<b>-</b>	<b>16,560,814</b>	<b>13,313,971</b>	<b>1,656,081</b>	<b>-</b>	<b>14,970,052</b>	<b>547,914</b>	<b>-</b>	<b>15,517,966</b>	<b>1,042,848</b>	<b>1,590,762</b>	<b>3,246,843</b>

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at	As at	As at	As at
	March 31st, 2018	March 31st, 2017	March 31st, 2017	April 1st, 2016
<b>4 Other financial assets</b> (Unsecured, considered good ) Security and other deposits		2,158,601	2,066,260	2,096,300
	<b>2,158,601</b>	<b>2,066,260</b>		<b>2,096,300</b>
<b>5 Deferred tax assets (Net)</b> The movement on the deferred tax account is as follows: At the start of the year		2,261,430	820,040	
Charge/(credit) to Statement of Profit and Loss	(485,960)	1,441,390		
<b>At the end of year</b>	<b>1,775,470</b>	<b>2,261,430</b>		<b>820,040</b>
Deferred tax asset / (liabilities) in relation to: Property, plant and equipment	1,684,860	(556,570)		1,128,290
Provisions	576,570	70,610		647,180
<b>Total</b>	<b>2,261,430</b>	<b>(485,960)</b>		<b>1,775,470</b>
<b>6 Income Tax Assets</b> Mat Receivable	472,550	206,560		206,560
Advance Tax	209,773	209,773		209,773
	<b>682,323</b>	<b>416,333</b>		<b>416,333</b>
<b>7 Inventories</b> Finished goods	6,435,294	6,395,103		8,284,950
Stock-in-process	4,918,996	6,456,697		9,165,550
Raw materials	11,146,520	12,864,437		7,834,569
Stock-in-trade	38,014	34,348		40,000
	<b>22,538,824</b>	<b>25,750,585</b>		<b>25,325,069</b>
<b>8 Trade receivables</b> (Unsecured, considered good ) Trade receivables	26,689,833	21,525,474		18,049,562
	<b>26,689,833</b>	<b>21,525,474</b>		<b>18,049,562</b>
<b>9 Cash and cash Equivalents</b> Cash on hand	660,790	213,631		2,435,202
Balances with banks	1,589,242	987,933		961,933
<b>Cash &amp; Cash Equivalent as per balance sheet</b>	<b>2,250,032</b>	<b>1,201,564</b>		<b>3,397,135</b>
Cash & Cash Equivalent as per statement of cash flow	-	-		3,397,135
<b>10 Loans</b> (Unsecured, considered good ) Advance to employees	455,359	2,227,343		1,135,681
Other loans	52,900	1,427,159		1,340,068
	<b>508,259</b>	<b>3,654,502</b>		<b>2,475,749</b>
<b>11 Other Financial Assets</b> Accrued Interest on Fixed Deposit with Banks	495,410	397,428		276,822
	<b>495,410</b>	<b>397,428</b>		<b>276,822</b>
<b>12 Other current assets</b> (Unsecured, considered good ) Advance to vendors	852,626	1,472,767		6,117,895
Advances recoverable in cash or kind	1,519,359	1,646,055		1,396,774
Advance Tax	14,041	14,041		9,753
Others	833,953	55,423		14,153
	<b>3,219,979</b>	<b>3,188,286</b>		<b>7,538,575</b>
<b>13 Share capital</b> <b>Authorised</b> 50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	50,000,000	50,000,000		50,000,000
<b>Issued, subscribed and paid up</b> 35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	35,994,000	35,994,000		35,994,000
	<b>35,994,000</b>	<b>35,994,000</b>		<b>35,994,000</b>

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
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**(a) Rights, preferences and restrictions attached to shares**

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at March 31st, 2018 No. of shares	As at March 31st, 2017 No. of shares	As at April 1st, 2016 No. of shares
Balance as at the beginning of the year	3,599,400	3,599,400	3,599,400
Add: Shares issued during the year	-	-	-
<b>Balance at the end of the year</b>	<b>3,599,400</b>	<b>3,599,400</b>	<b>3,599,400</b>

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

Particulars	Percentage holding as at March 31, 2018	Percentage holding as at March 31, 2017	Percentage holding as at March 31, 2016
<b>Mr. Atul Kumar Sethi</b> 705406 (Previous year: 705406) shares of Rs.10 each	19.60%	19.60%	19.60%
<b>Bio Pace Technology</b> 295432 (Previous year: 295432) shares of Rs.10 each	8.21%	8.21%	8.21%
<b>Mathew Samul Kalarickal</b> 421876 (Previous year: 357795) shares of Rs.10 each	11.72%	9.94%	9.07%

**14 Other Equity**

	March 31st, 2018 Rupees	March 31st, 2017 Rupees	April 1st, 2016 Rupees
<b>Capital investment subsidy</b>			
Balance as per last Financial Statements	1,500,000	1,500,000	1,500,000
Balance as at the end of the year	1,500,000	1,500,000	1,500,000
<b>Securities Premium</b>			
Balance as per last Financial Statements	4,673,108	4,673,108	4,673,108
Add: Increase during the year	1,113,000	-	-
Balance as at the end of the year	5,786,108	4,673,108	4,673,108
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>			
Balance as per last Financial Statements	7,412,087	10,657,812	11,511,871
Profit/ (Loss) for the year	1,323,423	(3,245,725)	(854,059)
Balance at the end of the year	8,735,510	7,412,087	10,657,812
	<b>16,021,618</b>	<b>13,585,195</b>	<b>16,830,920</b>

**15. Borrowings****Term loan - Secured**

HDFC Bank Ltd. (Car)	-	1,653,787	2,213,749
HDFC Bank Ltd. (Car)	-	74,431	240,359
Bank of India	2,280,000	3,420,000	-
HDFC Bank Ltd. (Car)	1,120,259	-	-
	<b>3,400,259</b>	<b>5,148,218</b>	<b>2,454,108</b>

**Nature of security:**

## Secured loans

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

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
<b>Maturity profile of long term borrowings</b>			
<b>Secured loans</b>			
2017-18	-	-	725,890
2018-19	-	1,858,052	718,052
2019-20	1,388,713	1,879,778	739,778
2020-21	1,412,776	1,410,388	270,388
2021-22	299,168	-	-
2022-23	299,602	-	-
	<b>3,400,259</b>	<b>5,148,218</b>	<b>2,454,108</b>
<b>16. Other financial liabilities</b>			
Deposit from customers	250,000	250,000	250,000
	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>
<b>17. Borrowings (Current)</b>			
<b>Working capital loan</b>			
From Bank of india	18,280,412	19,337,121	15,787,608
From ICICI Bank Ltd	695,902	763,634	802,573
	<b>18,976,314</b>	<b>20,100,755</b>	<b>16,590,181</b>
The cash credit facilities availed from Bank of India are secured by hypothecation of the Company's current assets consisting of stock of Finished Goods, Stock in Process, Raw Materials. and book debts both present and future. Further secured by First Charge over fixed assets of the company and personal guarantee of Managing Director Shri Atul Kumar Sethi and Whole Time Director Mrs. Amita Sethi.			
<b>18. Trade payables</b>			
Micro, small and medium enterprises	1,289,799	1,228,367	1,319,780
Others	2,380,415	748,399	957,136
	<b>3,670,214</b>	<b>1,976,766</b>	<b>2,276,916</b>
No amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.			
<b>19. Other financial liabilities</b>			
Current maturities of long term debts*	1,366,772	1,865,890	636,609
Other payables	5,248,372	5,383,243	5,217,627
Others	181,689	136,200	93,084
	<b>6,796,833</b>	<b>7,385,333</b>	<b>5,947,320</b>
<b>Nature of security:</b>			
* It includes loan from Bank of India and HDFC Bank Ltd to be repayable within a period of one year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.			
<b>20. Other current liabilities</b>			
Statutory dues	850,385	913,565	1,128,889
Advance from customers	446,718	835,174	1,152,817
Other Payables	24,632	60,453	211,667
	<b>1,321,735</b>	<b>1,809,192</b>	<b>2,493,373</b>
<b>21. Provisions - Current</b>			
Provision for Employee benefits	2,244,412	2,106,032	2,096,223
	<b>2,244,412</b>	<b>2,106,032</b>	<b>2,096,223</b>
<b>22. Income Tax Liabilities</b>			
Provision for income tax	342,155	-	1,003,500
	<b>342,155</b>	<b>-</b>	<b>1,003,500</b>

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017
<b>23 Revenue from operations</b>		
Sale of products (Net of Taxes)	68,030,370	69,429,021
	<b>68,030,370</b>	<b>69,429,021</b>
<b>24 Other income</b>		
Interest	118,063	141,897
Profit on sale of fixed assets	-	78,966
Other Receipts	-	321,500
	<b>118,063</b>	<b>542,363</b>
<b>25 Cost of materials consumed</b>		
Inventory at the beginning of the year	12,864,437	7,834,569
Add: Purchases of stock in trade	23,964,835	26,183,039
Less: Inventory at the end of the year	11,146,520	12,864,437
	<b>25,682,752</b>	<b>21,153,171</b>
<b>26 Changes in inventories of finished goods and work-in-progress and stock-in-trade</b>		
<b>Inventory at the beginning of the year (a)</b>		
Finished goods	6,395,103	8,284,950
Stock in process	6,456,697	9,165,550
Stock in trade	34,348	40,000
	<b>12,886,148</b>	<b>17,490,500</b>
<b>Inventory at the end of the year (b)</b>		
Finished goods	6,435,294	6,395,103
Stock in process	4,918,996	6,456,697
Stock in trade	38,014	34,348
	11,392,304	12,886,148
	<b>1,493,844</b>	<b>4,604,352</b>
<b>27 Employee benefits expense</b>		
Salaries and wages	15,276,667	16,139,923
Contribution to provident and other funds	642,388	866,335
Staff welfare expenses	272,973	276,430
	<b>16,192,028</b>	<b>17,282,688</b>
<b>28 Finance costs</b>		
Interest on term loan	463,647	571,332
Interest-others	2,427,233	3,273,025
Bank charges	354,733	157,112
	<b>3,245,614</b>	<b>4,001,469</b>
<b>29 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	81,717	53,773
Entry tax	106,747	484,332
Exchange difference (net)	(21,791)	(53,647)
Freight inward	647,446	557,580
Insurance	144,475	33,237
Job Work & Labour Charges	201,735	303,723
Laboratory Expenses	101,050	91,820
Power, fuel and water	1,009,056	1,238,954
Repairs to Others	203,577	99,875
Repairs to buildings	232,415	107,828
Repairs to plant and equipments	456,110	1,037,568
Fees for Technical Services	529,796	1,178,834
	<b>3,692,333</b>	<b>5,133,877</b>

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	65,041	20,841
Packing materials	481,468	738,338
Commission	250,511	312,565
Implantation Charges	1,606,740	1,932,905
Travelling expenses	3,492,858	4,282,760
Freight outward	224,443	404,241
Selling and business promotion expenses	1,185,285	3,269,671
	<b>7,306,345</b>	<b>10,961,321</b>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	181,000	145,000
Conveyance	199,990	196,811
Courier and postage charges	146,699	152,715
Professional charges	1,445,178	2,220,080
Miscellaneous expenses	204,123	518,789
Printing and stationery	143,632	159,089
Rates and taxes	236,871	290,030
Rent	152,000	100,400
Telephone and mobile expenses	162,786	219,101
Vehicle running & Maintenance Expenses	756,753	703,296
Bad Debts	344,770	-
R & D Expenses	427,451	-
	<b>4,401,253</b>	<b>4,705,311</b>
	<b>(a)+(b)+(c)</b>	<b>20,800,509</b>
<b>30. Taxation</b>		
Income tax recognised in Statement of Profit and Loss		
Current tax	87,880	207,171
Deferred tax	485,960	(1,441,391)
<b>Total income tax expenses recognised in the current year</b>	<b>573,840</b>	<b>(1,234,220)</b>
<b>31. Earnings per share</b>		
Profit after tax (a)	1,323,423	(3,245,725)
Weighted average number of equity shares outstanding (b)	3,599,400	3,599,400
Nominal value of an equity share	10	10
Earnings per share		
Basic [(a) / (b)]	0.37	(0.90)
Diluted [(a) / (b)]	0.37	(0.90)
<b>32. Contingent liabilities</b>		
(i) The disputed demand of income tax	280,000	280,000
(ii) Corporate Guarantee	7,000,000	-

The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary.

33. 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%

**34 Segment reporting**

**A. Primary segment**

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

## Notes to the financial statements as of and for the year ended March 31, 2018

(In INR ₹)

Particulars	As at March 31st, 2018	As at March 31st, 2017	
<b>B. Secondary segment</b>			
Particulars *	India	Rest of the world	Total
i) Segment revenue	58,212,355 (62,477,504)	9,818,015 (6,951,517)	68,030,370 (69,429,021)
ii) Carrying cost of segment assets	89,023,721 (88,361,217)	-	89,023,721 (88,361,217)
iii) Addition to Fixed Assets	5,033,060 (9,483,805)	-	5,033,060 (9,483,805)

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

**35 Related party disclosures**

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

**A Holding/ Subsidiary Company**

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

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

Atul Kumar Sethi	Managing Director
Amita Sethi	Whole time Director
Vikas Gokhale	Whole time Director
Anil Rathi	Director
Praveen Badjatya	Director
Sushil Kumar Patni	Director

**(II) Relatives of Key Management personnel and their enterprises where transactions have taken place**  
Mrs. Yamini Gokhale**C. Details of transactions and closing balances**

	As at March 31st, 2018	As at March 31st, 2017
<b>Mr. Atul Kumar Sethi</b>		
Director Remuneration	2,400,000	2,515,200
Closing Balance - Payable	898,944	573,212
<b>Mrs. Amita Sethi</b>		
Director Remuneration	600,000	631,800
<b>Mr. Vikas Gokhale</b>		
Director Remuneration	966,000	968,376
Commission	110,800	
<b>Mrs. Yamini Gokhale</b>		
Commission	-	40,111

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

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

As per our report of even date attached

For Ajay Sharma & Company  
Firm Registration Number: 013306C

Chartered Accountants

**(CA Ajay Sharma)**

Proprietor

Membership Number: 404968

Place: Pithampur

Date : 30th May 2018

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

**Atul Kumar Sethi**

Managing Director  
DIN-00245685

**Amita Sethi**

Whole time Director  
DIN-00245722

**Ashok Atulkar**

Chief Financial Officer

**Purnima Nagpal**

Company Secretary

**SHREE PACETRONIX LIMITED**

CIN- L33112MP1988PLC004317

**Regd. Off.:** Plot No. 15, Sector II, Industrial Area, Pithampur Distt: Dhar (M.P.) 454 775

Email-pacetrnix@hotmail.com, Phone-07292-411105

**PROXY FORM**

Form No. MGT-11

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

1. Name of the member (s) :
2. Registered address:
3. E-mail Id:
4. Folio No/ Client ID/DP ID:

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

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

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

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

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company, to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 11:00 AM at the registered office of the Company at "Plot No. 15, Sector-II, Industrial Area, Pithampur Dist. Dhar (M.P.) 454775, and at any adjournment thereof in respect of following resolutions:



Ordinary Business:	
1.	Adoption of Audited Standalone Financial Statements
2.	Adoption of Audited Consolidated Financial Statements
3.	Appointment of Mr. Vikas Gokhale (DIN: 051933930), Whole time Director, liable to retire by rotation.
Special Business	
4.	Regularisation Of Mr. Akash Sethi ( DIN : 08176396) As Director Of The Company
5.	Appointment Of Mr. Akash Sethi (DIN: 08176396) As Joint Managing Director Of The Company
6.	Appointment of Mr. Mahesh Purohit (DIN: 07560407) as an Independent Director of the Company
7.	Appointment of Mr. Rajesh Bhale (DIN: 01933024) as an Independent Director of the Company
8.	Appointment of Mr. Varun Rawat (DIN: 08203524) as an Independent Director of the Company
9.	Re- Appointment of Mr. Sushil Kumar Patni (DIN: 00245754) as an Independent Director of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix revenue  
Stamp of Rs.1

Signature of shareholder

Signature of Proxy holder(s)

**Note:**

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

**ATTENDANCE SLIP**

**30<sup>th</sup> ANNUAL GENERAL MEETING ON 29<sup>TH</sup> SEPTEMBER 2018.**

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 30<sup>th</sup> Annual General meeting of the company at the registered office of the Company on 29<sup>th</sup> September, 2018.

(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.

To,  
**Ankit Consultancy Private Limited**  
 60 Electronic Complex,  
 Pardeshipura,  
 Indore (M.P.) 452010

Updation of Shareholder Information

I/ We request you to record the following information against our Folio No.:

**General Information:**

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

\*Self attested copy of the document(s) enclosed

**Bank Details:**

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

\* A blank cancelled cheque is enclosed to enable verification of bank details.

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:  
 Date:

Signature of Sole/ First holder

To,

All Members,

**Subject:**

- (a) Requiring copy of PAN Card & Bank mandate particulars
- (b) Dematerialization of shares

**Dear Shareholders,**

With reference to the subject above, this is to state you that we had sent a letter dated 08/08/2018 to you as per SEBI Circular No. SEBI /HO / MIRSD / DOP1/CIR/P/2018/73 dated 20th April 2018 requiring PAN Card copy and bank mandate details against your above mentioned folio. It has been noticed that still we have not received the above mentioned KYC documents.

You are, therefore, requested to send the following documents:

- 1) **Self attested copy of the PAN Card (All the holders in case of joint holding), and**
- 2) **Original Cancelled Cheque Leaf bearing name of the shareholder**

**OR**

Copy of Bank Passbook/Statement showing name of accountholder attested by bank having MICR/IFSC etc. for Bank Mandate Particulars (of the First holder in case of joint holding)

And you are also requested to provide valid email ID (if any) with your consent to the company for sending notices through email.

Further, we would like to mention you that as per SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulation, 2018, physical shares will be transferable only upto 4th Dec. 2018.

Please send the above mentioned details/documents immediately to Registrar & Share Transfer Agent (RTA), Ankit Consultancy Pvt. Ltd., 60, Electronic Complex, Pardeshipura, Indore(M.P.) 452010 to update the KYC requirement and get your shares dematerialized immediately under ISIN: INE847D01010.

If you require any clarification, please contact RTA, CS Saurabh Maheshwari on 0731-4065799, 4065797 or E mail at ankit\_4321@yahoo.com.

**For Shree Pacetronix Limited**

Atul Kumar Sethi  
Managing Director  
DIN: 00245685

**BOOK - POST**

*If undelivered please return to :*

**Shree Pacetronix Limited**

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

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