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Shree Pacetronix Ltd.



Date: 31st August, 2019

To,
General Manager-Listing
BSE Limited
P.J. Tower, Dalal Street,
Mumbai- 400001

Scrip Code - 527005; ISIN - INE847D01010

Subject: Submission of Annual Report for the Financial Year 2018-2019 pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015.

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report for the Financial Year 2018-2019 along with Notice of 31st Annual General Meeting to be held on Saturday, 28th September, 2019 at 11.00 A.M. at the Registered Office of the Company.

Kindly take the same in your records.

Thanking You
Yours faithfully

For SHREE PACETRONIX LIMITED
CIN: L33112MP1988PLC004317
For Shree Pacetronix Ltd.


Authorised Signatory

HARSHITA JINDAL
COMPANY SECRETARY

Enclosure: Annual Report for the F.Y. 2018-2019 along with notice of AGM.



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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

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

TECHNOLOGY SERVING HUMANITY

31st
ANNUAL REPORT
2018 - 2019



Shree Pacetrnix Ltd.

Technology Serving Humanity

An ISO-9001 Company

CORPORATE INFORMATION

CORPORATE IDENTIFICATION NUMBER	L33112MP1988PLC004317
REGISTERED OFFICE	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
BOARD OF DIRECTORS	
Executive Directors	
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
Non-Executive Directors	
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)
CHIEF FINANCIAL OFFICER	Mr. Ashok Atulkar
COMPANY SECRETARY	Ms. Harshita Jindal (Appointed w.e.f.10.01.2019) Ms. Purnima Nagpal (Resigned w.e.f.10.01.2019)
CHIEF OPERATING OFFICER	Mr. Sumit Chakarbarti (Appointed w.e.f. 14.08.2018)
STATUTORY AUDITORS	Ajay Sharma and Company Chartered Accountants 301, III rd Floor, SV Business Park, 77 Swami Vivekanand Nagar, Telephone Nagar Square, Indore (M.P.) - 452018
BANKERS	Bank of India HDFC Bank Limited Axis Bank Limited
REGISTRAR & SHARE TRANSFER AGENT	Ankit Consultancy Private Limited 60 Electronic Complex, Pardesipura, Indore (M.P.) 452010 Contact : 0731-4065799,4065797, Fax : 0731-4065798 Email id : rtaindore@gmail.com

NOTICE

NOTICE is hereby given that Thirty-first Annual General Meeting of the Members of **Shree Pacetronix Limited** will be held on **Saturday, 28th September, 2019** 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 businesses : -

ORDINARY BUSINESS:**1. Consideration and 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 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.

2. Consideration and 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, 2019, together with the Reports of Auditors thereon.

3. Appointment of Mrs. Amita Sethi (DIN: 00245722), Whole time Director, liable to retire by rotation.

To appoint a Director in place of Mrs. Amita Sethi (DIN: 00245722), Whole time Director who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS :**4. RE-APPOINTMENT OF MR. ATUL KUMAR SETHI (DIN: 00245685) AS THE MANAGING DIRECTOR OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being enforce), in terms of Articles of Association, on recommendation of Nomination & Remuneration Committee and on Board's approval, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Atul Kumar Sethi (DIN- 00245685), who holds office as a Managing Director upto 30th November, 2019 as a Managing Director of the Company for a further period of three (3) years commencing from 01st December, 2019 to 30th November 2022, who shall not be liable to retire by rotation, upon the terms and conditions as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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 Companies Act, 2013 as existing or amended, modified or re-enacted from time to time and in such a manner as may be agreed between the Board of Directors and Mr. Atul Kumar Sethi.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Atul Kumar Sethi shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.”

5. RE-APPOINTMENT OF MRS. AMITA SETHI (DIN: 00245722) AS THE WHOLE TIME DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being enforce), in terms of Articles of Association, on recommendation of Nomination & Remuneration Committee and on Board's approval, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mrs. Amita Sethi (DIN- 00245722), who holds office as a Whole-Time Director upto 30th November, 2019 as a Whole-Time Director of the Company for a further period of three (3) years commencing from 01st December, 2019 to 30th November 2022, who shall be liable to retire by rotation, upon the terms and conditions as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized 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 Companies Act, 2013 as existing or amended, modified or re-enacted from time to time and in such a manner as may be agreed between the Board of Directors and Mrs. Amita Sethi.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mrs. Amita Sethi shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during her tenure.”

By the order of the Board of Directors of

Shree Pacetronix Limited

Harshita Jindal
Company Secretary

PLACE: Pithampur

DATE: 13/08/2019

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of Item Nos. 4 & 5 are annexed hereto. Additional Information under Regulations 17 (11) 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 retiring by rotation and seeking re-appointment and Directors proposed to be 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/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY/ PROXIES 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, mentioning therein details of their DP ID and Client ID/Folio No., 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) from 21st September 2019 to 28th September 2019 (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, 21st September 2019 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 viz. bank account, change of address and Email ID immediately.
 - b. Quote their DP ID, Client ID and 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 demat accounts 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. Non- Resident Indian (NRI) members are requested to:
 - a) change their residential status on return to India permanently.
 - b) furnish particulars of bank account(s) maintained in India with complete name, branch, account type, IFSC code, MICR code, account number and address of the bank with PIN Code no., if not furnished earlier.
19. 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.
20. 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.
21. Members may also note that the Annual Report for FY 2018-19 is also available for downloading on Company's website www.pacetrnix.com.
22. 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 Permanent Account Number (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.
23. Pursuant to amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November, 2018 it has been mandated by SEBI that, request(s) for effecting transfer of securities, except in case of transmission or transposition of securities, shall not be processed from 1st April, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, shareholders are requested to take action to dematerialise the equity shares of the Company, promptly.
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. The route map showing directions to reach the venue of the **31st AGM** is annexed.
26. **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 Central Depository Services (India) Ltd ("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 and CP No. 14717) 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, 25th September 2019 at 9:00 A.M. and ends on Friday, 27th September 2019 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 21st September 2019 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.
 - Click on Shareholders.
 - 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 and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> ■ 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. ■ 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ● 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).

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the **SHREE PACETRONIX LIMITED** on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- m) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- n) 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.
- o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- q) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- r) 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, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- s) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- t) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
- u) In case you have any grievances pertaining to e-voting, you may contact at below address:
- Name : **Mr. Rakesh Dalvi**
- Designation: Manager
- Address : A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013.
- Email id : helpdesk.evoting@cdslindia.com
- Phone number : 1800225533
- vi) 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, 21st September, 2019.**
- vii) 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.
- viii) 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.
- ix) The voting results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.pacetronix.com and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Limited.

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

Item No. 04

Mr. Atul Kumar Sethi, aged about 57 years is Director of the Company since incorporation of the Company. He is serving in capacity of Managing Director of the Company and his tenure is expiring on 30th November, 2019 upon completion of 3 years of his appointment as Managing Director.

Mr. Atul Kumar Sethi is having more than 20 years of experience in industries and is acquainted with thorough knowledge of business of manufacturing and selling of medical devices. He is Master of Business Administration (MBA) in marketing by qualification.

The appointment has been recommended by the Nomination and Remuneration Committee and further the Board in its meeting held on Tuesday, 13th August 2019 approved the re-appointment of Mr. Atul Kumar Sethi as Managing Director of the Company (subject to the approval of Members in General Meeting) for a further period of three (3) years commencing from 1st December, 2019 to 30th November 2022.

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. Atul Kumar Sethi and the terms and conditions of the appointment are given below:

- a. **Term of Appointment:** Three (3) years commencing from 1st December, 2019 to 30th November 2022.
- b. **Nature of Duties:** As outlined in Section 166 of the Companies Act, 2013.
- c. **Basic Salary:** Rs. 2,00,000/- (Rupees Two Lakhs only) per month. He may be entitled for annual increment upto 15% p.a., which may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.
- d. **Perquisites and allowances:** Following as per rules of the Company:
 - i. Leave Travel Allowance
 - ii. House Rent Allowances
 - iii. Medical Allowances
 - iv. Provision for use of car with driver may be provided for official business and personal use. If used for personal use, it will be billed to him. If no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
 - v. Provision for telephone and internet may be provided at residence and personal calls will be billed to him.
- e. **Provident Fund:** The Company will make suitable contribution towards Provident Fund, as per the rules of the Company.
- f. **Gratuity:** As per rules of the Company.
- g. **Retirement Benefits :** As per rules of the Company.
- h. **Leave encashment:** Leaves will be provided as per rules of the Company including encashment of unavailed leave at the end of the tenure.
- i. **Other Benefits:** Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business will be provided.

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

I. **General Information :**

- i. **Nature of Industry:** The Company is, inter alia, in the business of manufacturing & selling of different range of quality Implantable Cardiac Pacemakers.
- ii. **Date or expected date of commencement of commercial production:** The Company was incorporated on 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, 2019:

Particulars	Rs. in Lakhs	
	Standalone	Consolidated
Gross Turnover & Other Income	743.30	744.80
Net profit as per Statement of Profit & Loss (After Tax)	14.11	14.12
Net Worth	528.80	519.34

- v. **Foreign investments or collaborators, if any:** Not Applicable. However the company is having NRI & Overseas Body Corporate shareholding of 7,22,365 shares i.e. 20.07%

II. Information about the appointee :

- i. **Background details:** Refer Explanatory Statement of Item No. 4.
- ii. **Past remuneration:** Rs. 2,00,000/- (Rupees Two Lakhs only) per month.
- iii. **Recognition or awards:** Nil.
- iv. **Job Profile and his suitability:** Mr. Atul Kumar Sethi is having more than 20 years of experience in industries and is acquainted with thorough knowledge of business of manufacturing and selling of medical devices. Taking into consideration his experience, commitment and capabilities he is best suitable for the responsibilities to be assigned under the said designation.
- v. **Remuneration proposed:** Refer Explanatory Statement of Item No. 4.
- 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. Atul Kumar 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 Mrs. Amita Sethi is spouse and Mr. Akash Sethi is son of Mr. Atul Kumar 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. 14.11 Lakhs during the year ended 31st, March, 2019 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. 14.11 Lakhs during the year ended 31st, March, 2019. 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, 2019".

Mr. Atul Kumar Sethi satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. Taking into consideration his experience, commitment and capabilities that are playing a crucial role in the growth of the Company, the Board of Directors feel that there is a need for a continuation of suitable plans and program and therefore, it is imminent that he should continue in the capacity of Managing Director.

Except Mr. Atul Kumar 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. 4 of the notice.

Item No: 5

Mrs. Amita Sethi, aged about 53 years is Director of the Company since 2010. She is serving in capacity of Whole Time Director of the Company and her tenure is expiring on 30th November, 2019 upon completion of 3 years of her appointment as Whole Time Director.

Mrs. Amita Sethi is having more than 14 years of experience in business and industries and thorough knowledge of medical industry. She is Master of Arts (M.A.) by qualification.

The appointment has been recommended by the Nomination and Remuneration Committee and further the Board in its meeting held on Tuesday, 13th August 2019 approved the re-appointment of Mrs. Amita Sethi as Whole Time Director of the Company (subject to the approval of Members in General Meeting) for a further period of three (3) years commencing from 1st December, 2019 to 30th November 2022.

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 Mrs. Amita Sethi and the terms and conditions of the appointment are given below:

- a. **Term of Appointment:** Three (3) years commencing from 1st December, 2019 to 30th November 2022.
- b. **Nature of Duties:** As outlined in Section 166 of the Companies Act, 2013.
- c. **Basic Salary:** Rs. 50,000/- (Rupees Fifty Thousand only) per month. She may be entitled for annual increment upto 15% p.a., which may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.
- d. **Perquisites and allowances:** Following as per rules of the Company:
 - i. Leave Travel Allowance
 - ii. House Rent Allowances
 - iii. Medical Allowances
 - iv. Provision for use of car with driver may be provided for official business and personal use. If used for personal use, it will be billed to her. If no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by her.
 - v. Provision for telephone and internet may be provided at residence and personal calls will be billed to her.
- e. **Provident Fund:** The Company will make suitable contribution towards Provident Fund, as per the rules of the Company.
- f. **Gratuity:** As per rules of the Company.
- g. **Retirement Benefits:** As per rules of the Company.
- h. **Leave encashment:** Leaves will be provided as per rules of the Company including encashment of unavailed leave at the end of the tenure.
- i. **Other Benefits:** Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by her in connection with the Company's business will be provided.

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

I. General Information :

- i. **Nature of Industry:** The Company is, inter alia, in the business of manufacturing & selling of different range of quality Implantable Cardiac Pacemakers.
- ii. **Date or expected date of commencement of commercial production:** The Company was incorporated on 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, 2019:

Particulars	Rs. in Lakhs	
	Standalone	Consolidated
Gross Turnover & Other Income	743.30	744.80
Net profit as per Statement of Profit & Loss (After Tax)	14.11	14.12
Net Worth	528.80	519.34

- v. **Foreign investments or collaborators, if any:** Not Applicable. However the company is having NRI & Overseas Body Corporate shareholding of 7,22,365 shares i.e. 20.07%

II. Information about the appointee :

- i. **Background details:** Refer Explanatory Statement of Item No. 5.
- ii. **Past remuneration:** Rs. 50,000/- (Rupees Fifty Thousand only) per month.
- iii. **Recognition or awards:** Nil.
- iv. **Job Profile and her suitability:** Mrs. Amita Sethi is having more than 14 years of experience in business and industries and thorough knowledge of medical industry. Taking into consideration her experience, commitment and capabilities, she 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 Mrs. Amita 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 her, the Executive Director does not have any other pecuniary relationship with the Company and Mr. Atul Kumar Sethi is spouse and Mr. Akash Sethi is son of Mrs. Amita Sethi. Except them none of the Directors is related to her.

III. Other Information :

1. **Inadequate Profits:** During the Financial Year, the Company has registered a Profit of Rs. 14.11 Lakhs during the year ended 31st, March, 2019 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. 14.11 Lakhs during the year ended 31st, March, 2019. 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, 2019.

Mrs. Amita 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 her re-appointment. She is not disqualified from being appointed as Director in terms of section 164 of the Act. Taking into consideration her experience, commitment and capabilities that are playing a crucial role in the growth of the Company, the Board of Directors feel that there is a need for a continuation of suitable plans and program and therefore, it is imminent that she should continue in the capacity of Whole Time Director.

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

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

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

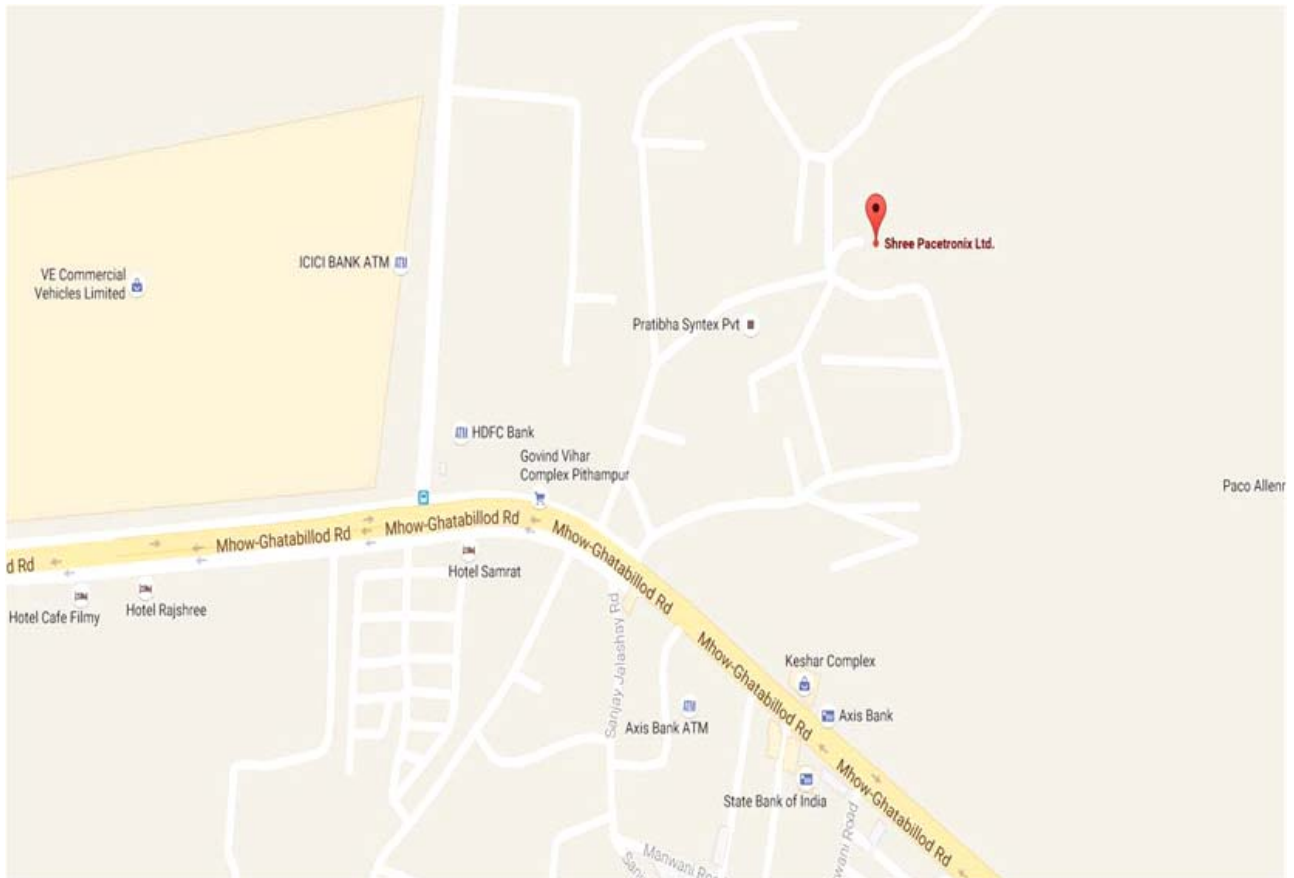
NAME OF DIRECTOR	MR. ATUL KUMAR SETHI	MRS. AMITA SETHI
DIN	00245685	00245722
Date of Birth	17/ 04/ 1962	01/ 06/ 1966
Date of First Appointment	11/ 01/ 1988	01/ 12/ 2010
Qualification	MBA (Marketing)	MA
Expertise / Experience in specific functional areas	More than 20 Years of experience in industries and thorough knowledge of business of manufacturing and selling of medical devices.	More than 14 Years of experience in business and industries and thorough knowledge of medical industry.
Category of Directorship	Executive Promoter Director	Executive Promoter Director
Relationships with Other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Atul Kumar Sethi is spouse of Mrs. Amita Sethi and father of Mr. Akash Sethi.	Mrs. Amita Sethi is spouse of Mr. Atul Kumar Sethi and Mother of Mr. Akash Sethi.
No. of Equity Shares as on 31st March 2019	7,05,406	1,15,124
% of Equity Shares held as on 31st March 2019	19.60%	3.20%
List of outside Company directorship held	Shree Coratomic Limited	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	Member of Stakeholder Relationship Committee of the Company	Nil
Chairman / Member of the Committees of the Board Directors of other Companies in which he is Director	Nil	Nil

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

PLACE: Pithampur
DATE: 13/08/2019

Harshita Jindal
Company Secretary

Route Map for the Venue of AGM



BOARDS' REPORT

To

The Members,

Shree Pacetronix Limited,

Pithampur, District Dhar, M.P., 454775

Your Directors have immense pleasure in presenting Thirty-First Board's Report of Shree Pacetronix Limited, together with the Audited Standalone and Consolidated Financial Statements for the year ended March 31, 2019.

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

a. Financial Performance

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

(In Rupees)

Particulars	Standalone		Consolidated	
	Year ended 2018-2019	Year ended 2017-2018	Year ended 2018-2019	Year ended 2017-2018
Revenue from operations	7,26,63,988	6,59,88,913	7,27,99,999	6,80,30,370
Other Income	16,66,637	1,18,063	16,80,137	1,18,063
Total Expenses [excluding interest & depreciation]	6,53,19,955	5,83,63,741	6,52,00,767	5,91,32,409
Profit before Interest, Depreciation & Tax	90,10,670	77,43,235	92,79,369	90,16,024
Less: Depreciation	37,63,830	38,91,887	37,65,142	42,27,426
Less: Interest	28,18,714	27,46,811	29,71,995	28,90,880
Profit/(Loss) Before Tax	24,28,126	11,04,537	25,42,232	18,97,718
Less : Tax Expenses				
Current Tax	7,19,464	87,880	7,19,464	87,880
Deferred Tax	2,98,090	2,53,420	4,10,390	4,85,960
Net Profit/(Loss) after Tax	14,10,572	7,63,237	14,12,378	13,23,878
Attributable to :				
Equity Holders	-	-	14,12,376	13,23,423
Non-controlling interest	-	-	2	455
Add: Amount brought forward from Last Year	96,89,193	89,25,956	87,35,510	74,12,087
Balance carried forward to Balance Sheet	1,10,99,766	96,89,193	1,01,47,886	87,35,510

The Company's financial statements for the year ended March 31, 2019 are the financial statements prepared in accordance with Indian Accounting Standards (IND-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and as applicable.

Standalone : During the year under review the Company has reported an increase turnover of Rs. 72.66 Lacs against the turnover of Rs. 65.98 Lacs in the Previous Financial Year. The overall expense of the Company has also increased from Rs. 58.36 Lacs to Rs. 65.32 Lacs. The Company's has earned a profit of Rs. 14.10 Lacs as compared to profit of Rs. 7.63 Lacs in previous Financial Year. The overall performance of the Company in the current year is increased against the performance of the Company in Previous 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 explained in extract of annual return 'MGT-9'.

Consolidated turnover of the Company increased to Rs. 72.80 Lacs against the turnover of Rs. 68.03 Lacs over the previous financial year. The Company's has earned a profit of Rs. 14.12 Lacs as compared to profit of Rs. 13.23 Lacs over previous Financial Year. The overall performance of the Subsidiary results in the growth of the Company. 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 pacemaker market has been segmented based on product type, application, implant approach and end user.

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 2018-19 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2019 was Rs. 3, 59, 94,000 (Rupees Three Crores Fifty Nine 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 under review, the Company has transferred and carried Profit for the year amounting to Rs. 14.10 Lacs to the Reserves of the Company.

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 as on date of this report.

6. Extract of Annual Return

The extract of the Annual Return of the Company as on 31st March, 2019 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.pacetronix.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, 2018 in Form MGT-7, has been posted on the website of the Company at http://www.pacetronix.com/wp-content/uploads/2019/05/Annual%20Return_MGT-7_31.03.2018.pdf and after filing the Annual Return for the Financial Year 31st March 2019 in Form MGT – 7, the same will be posted on website of the Company at www.pacetronix.com.

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

The Company has one Indian 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 relevant Indian Accounting Standards (IND-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133, as applicable along with other relevant provisions of the Act. The annual Financial Statements of the subsidiary and related detailed information is available on the website of the Company at www.pacetronix.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**.

Further, pursuant to Regulation 16 (1) (c) of SEBI (LODR) Regulations, 2015 as amended, with effect from 01st April 2019, the Subsidiary falls under the criteria of the Material Subsidiary of the Company and in compliance of the same the Company has also formulated a policy for determining 'material' subsidiary which is also available on the website of the Company at www.pacetronix.com.

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 as amended and notified under Section 133, as applicable along with other relevant provisions of the Act. During the year under review, no Company has become or ceased to be a subsidiary of the Company.

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

9. Particulars of contracts or arrangements with Related Parties

During the financial year 2018-19, all contracts/ arrangements/ transactions entered into by the Company with its related parties were reviewed and approved by the Audit Committee. Prior omnibus approvals were obtained from the Audit Committee for related party transactions which were of repetitive nature, entered in the ordinary course of business and on an arm's length basis. No transaction with any related party was in conflict with the interest of the Company.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis 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.pacetronix.com.

Suitable disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the Note-35 to the financial statements.

10. Directors and Key Managerial Personnel

At the year ended March 31, 2019, the Board of Directors comprised of four Executive directors including one women director and four Independent Directors. The Company has one Chief Financial Officer and a Company Secretary.

Independent Directors :

The Independent Directors on the Board of the Company, comprise of Mr. Sushil Kumar Patni, Mr. Rajesh Kumar Bhale, Mr. Varun Rawat & Mr. Mahesh Purohit.

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 and as per Regulation 25 of SEBI (LORD) Regulations 2015.

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

Change in Directors and Key Managerial Personnel:

Resignations :

During the year under review, 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. Purnima Nagpal, Company Secretary of the Company resigned from the Company w.e.f 10th January 2019.

Appointments :

During the year under review, based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Tuesday, 14th August 2018 approved the appointment of Mr. Varun Rawat (DIN: 08203524), Mr. Mahesh Purohit (DIN: 07560407) and Mr. Rajesh Bhale (DIN: 01933024) as an Additional directors in the Category of Non-Executive Independent Director with effect from 14th August 2018. Further in the 30th Annual General Meeting held on **29th September 2018**, the members approved the appointment of Mr. Varun Rawat (DIN: 08203524), Mr. Mahesh Purohit (DIN: 07560407) and Mr. Rajesh Bhale (DIN: 01933024) as an Independent Director of the Company for a term upto five consecutive years commencing from 14th August 2018 upto 13th August 2023.

During the year under review, based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Tuesday, 14th August 2018 approved the appointment of Mr. Akash Sethi (DIN: 08176396) as an Additional director in the Category of Executive Promoter Director with effect from 14th August 2018. Further in the 30th Annual General Meeting held on **29th September 2018**, the members approved the appointment of Mr. Akash Sethi (DIN: 08176396) as a Joint- Managing Director of the Company with effect from 14th August 2018 till 13th August 2021.

During the year under review, based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Tuesday, 14th August 2018 approved the re-appointment of Mr. Sushil Kumar Patni as an Independent Director for a second term of five (5) consecutive years commencing from 01st April 2019 to 31st March 2024. Further in the 30th Annual General Meeting held on **29th September 2018**, the members approved the re-appointment of Mr. Sushil Kumar Patni as an Independent Director.

During the year under review, based on the recommendation of Nomination and Remuneration Committee, the Board appointed Ms. Harshita Jindal as Company Secretary of the Company w.e.f 10th January 2019.

Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Tuesday, 13th August 2019, proposed the re-appointment of Mr. Atul Kumar Sethi (DIN: 00245685) as a Managing Director for a further period of three (3) years commencing from 01st December, 2019 to 30th November 2022 which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Your Directors recommend the re-appointment of Mr. Atul Kumar Sethi (DIN: 00245685) as a Managing Director of the Company.

Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Tuesday, 13th August 2019, proposed the re-appointment of Mrs. Amita Sethi (DIN: 00245722) as a Whole Time Director for a further period of three (3) years commencing from 01st December, 2019 to 30th November 2022 which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Your Directors recommend the re-appointment of Mrs. Amita Sethi (DIN: 00245722) as a Whole Time Director 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, Mrs. Amita Sethi (DIN: 00245722) retires by rotation and being eligible, offers herself for reappointment at the ensuing 31st Annual General Meeting.

Disqualifications of Directors :

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

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

11. Committees of the Board Of Directors

The Board has three committees which have been constituted 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 2018-19:

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

Further, due to resignation of Mr. Anil Rathi and Mr. Pravin Badjatya, Independent Directors of the Company w.e.f. 03rd August 2018, there was need for Reconstitution of the various Committees of the Board. Hence the Board of Directors in their meeting held on 14th August 2018 reconstituted the Board Committees with the following person:

a. Audit Committee :

1. Sushil Kumar Patni – Chairperson
2. Mahesh Purohit – Member
3. Rajesh Kumar Bhale - Member

b. Stakeholder Committee :

1. Sushil Kumar Patni – Chairperson
2. Mahesh Purohit – Member
3. Atul Kumar Sethi – Member

c. Nomination and Remuneration Committee:

1. Sushil Kumar Patni – Chairperson
2. Mahesh Purohit – Member
3. Rajesh Kumar Bhale - Member

Audit Committee

At the year ended March 31, 2019, the Company has an adequately qualified and experienced Audit Committee with Mr. Sushil Kumar Patni as Chairperson, Mr. Mahesh Purohit and Mr. Rajesh Kumar Bhale, 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 10 (Ten) times viz. **May 29, 2018 (adjourned to May 30, 2018); August 14, 2018; August 21, 2018; September 27, 2018; November 14, 2018; December 15, 2018; January 10, 2019; February 13, 2019; March 12, 2019; March 29, 2019;** The details of meetings of the Board and the attendance of Directors at such Meetings are provided in the Corporate Governance Report.
- b. **Committee Meetings:** During the year under review, the Committees duly met and the details of the Meetings held and attendance 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 29, 2019. 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/investor-corner/policies/>.

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

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

Changes made in Nomination and Remuneration Policy

Further the Nomination and Remuneration Policy is amended as per the amendment in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such policy is adopted as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in their meeting held on 29.03.2019.

Further the amended policy has been annexed to this Board Report as **Annexure XII**

Other Policies :

The details of the Key Policies adopted by the Company are mentioned at **Annexure XIII** to the Board's Report.

14. Performance Evaluation of the Board

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

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

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

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

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

15. Directors' Responsibility Statement

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

- a. In the preparation of the Annual Accounts, 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. Shradha Jain, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31st 2019 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 Companies 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 any fresh investments in terms of section 186 of the Companies Act, 2013. The Company has provided in the previous year the Corporate Guarantee to its Subsidiary Company. Details of investment and guarantee covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 3 and 32 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. Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, SEBI(PIT) Regulations, 2015 and SEBI (LODR) Regulations, 2015, the Company has in place a Vigil Mechanism Policy under which the employees are free to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy. The policy is posted on the website of the Company at 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 2018-2019 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, 2019 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, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 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, the Company has complied with all the provision of Corporate Governance as per SEBI (LODR) Regulations, 2015 upto the Quarter ended 31st December 2018 but on 08th April, 2019 your Directors intimated to Stock exchange regarding non-applicability of above corporate Governance provisions for the Quarter ended 31st March 2019 and further intimated on 06th July, 2019 regarding non-applicability of above corporate Governance provisions for the Financial Year 2019-2020.

Further your Company believes in Good Corporate Governance Practices, so the Directors present the Report on Good Corporate Governance for the year ended 31st March 2019 to have more transparency and disclosures 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 2018-19 has been duly paid.

The Company has complied with SEBI (LODR) Regulations, 2015 including payment of Annual Listing Fees up to March 31, 2020 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, 2019.

37. Depository System

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

38. 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 and Constitution of Internal Complaints Committee:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Policy has also been posted on the website of the Company and can be accessed through web link <http://www.pacetrnix.com/investor-corner/policies/>.

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

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

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.

For and on behalf of the Board of
Shree Pacetronix Limited

Date: 13/08/2019
Place: Pithampur

Akash Sethi
Joint Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN - 05193393)

ANNEXURE-I
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & 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: 0731-4065799/97 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	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1.	Shree Coratomic Ltd. Reg. Off. 01, Moon Place Colony, Indore (M. P.) 452009	U33112MP1995PLC008917	Subsidiary Company	99.91%	2(87) (ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-04-2018]				No. of Shares held at the end of the year [As on 31-03-2019]				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
1 Indian									
a Individual/ HUF	848338	0	848338	23.57	872706	0	872706	24.25	0.68
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
Sub-total (A) (1)	848338	0	848338	23.57	872706	0	872706	24.25	0.68
2 Foreign									
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
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	848338	0	848338	23.57	872706	0	872706	24.25	0.68

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 Public Shareholding									
1 Institutions									
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	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2 Non-Institutions									
a Bodies Corp.									
i Indian	453674	200	453874	12.61	440165	200	440365	12.23	-0.38
ii Overseas	0	0	0	0	0	0	0	0	0
b Individuals									
i Individual shareholders holding nominal share capital upto Rs. 1 lakh	386364	581981	968345	26.90	378606	566181	944787	26.25	-0.65
ii Individual shareholders holding nominal share capital in excess of Rs 1 lakh	576478	55970	632448	17.57	589177	30000	619177	17.20	-0.37
c Others									
i NRI	10020	686375	696395	19.35	10020	712345	722365	20.07	0.72
ii Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
iii Foreign Nationals	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	1426536	1324526	2751062	76.43	1417968	1308726	2726694	75.75	-0.68
Total Public Shareholding (B)= (B)(1)+ (B)(2)	1426536	1324526	2751062	76.43	1417968	1308726	2726694	75.75	-0.68
C Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2274874	1324526	3599400	100	2290674	1308726	3599400	100.00	0.00

ii. Shareholding of Promoter & Promoters' Group-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% 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	Mr. Atul Kumar Sethi	705406	19.60	-	705406	19.60	-	0.00
2	Mrs. Amita Sethi	103455	2.87	-	115124	3.20	-	0.33
3	Mr. Ashish Sethi	39477	1.10	-	39477	1.10	-	0.00
4	Mr. Akash Sethi	-	-	-	12699	0.35	-	0.35
	Total	848338	23.57	-	872706	24.25	-	0.68

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

S. No.	Particulars	Shareholding at the beginning of the year (As on 01-04-2018)		Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		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	848338	23.57	848338	23.57
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	872706	24.25	872706	24.25

Note : There is change in the total shareholding of promoters between 01-04-2018 and 31-03-2019 and the same details are given below.

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

Sl. No.	Name	Shareholding		Changes during the year			Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18)	% 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	103455	2.87					
				02/11/2018	11669	Acquisition	115124	3.20
				31/03/2019	-	-	115124	3.20
2	Mr. Akash Sethi	-	-	-	-	-	-	-
		-	-	22-02-2019	12699	Acquisition	12699	0.35
				31/03/2019	-	-	12699	0.35

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 01-04-2018)					Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning (01-04-18)	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason & No. of Shares	No. of Shares	% of total shares of the company
1	Mathew Samuel Kalarickal	423032	11.75	-	-	-	423032	11.75
2	Bio-Pace Technology	295432	8.21	15/02/2019	Increase	Acquisition of 302655	598087	16.62
3	Astral Tradeplace LLP	179135	4.98	-	-	-	179135	4.98
4	Thomas B. Pinto	177300	4.93	15/02/2019	Decrease	Sale of 177300	0	0
5	Epcot Lifestyles Private Ltd.	159327	4.43	-	-	-	159327	4.43
6	Manmohini Kaur	105558	2.93	-	-	-	105558	2.93
7	S.K. Sekaran	99385	2.76	15/02/2019	Decrease	Sale of 99385	0	0
8	Ajit Modi	86400	2.40	-	-	-	86400	2.40
9	Kalpita Agencies Private Ltd.	71105	1.98	-	-	-	71105	1.98
10	Kadar Hamid Makani	57356	1.59	-	-	-	57356	1.59

*As Provided by Registrar and Transfer Agent

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 01-04-2018)		Date	Increase/ Decrease in shareholding	Reason and No. of shares	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of Shares at the beginning	% of total shares of the Company				No. of Shares	% of total shares of the company
A. DIRECTORS								
1.	Mr. Atul Kumar Sethi	705406	19.60		Nil Movement during the year			
							705406	19.60
2.	Mrs. Amita Sethi	103455	2.87					
				02/11/2018	Increase	Acquisition of 11669	115124	3.20
				31/03/2019	-	-	115124	3.20
3.	Mr. Akash Sethi	-	-					
				22/02/2019	Increase	Acquisition of 12699	12699	0.35
				31/03/2019	-	-	12699	0.35
4	Mr. Vikas Gokhale	0	0		Nil Movement during the year		0	0
5	Mr. Sushil Kumar Patni	0	0		Nil Movement during the year		0	0
6	Mr. Mahesh Purohit	0	0		Nil Movement during the year		0	0
7	Mr. Rajesh Kumar Bhale	0	0		Nil Movement during the year		0	0
8.	Mr. Varun Rawat	0	0		Nil Movement during the year		0	0

B. KEY MANAGEMENT PERSONNEL

1	Mr. Ashok Atulkar Chief Financial Officer	0	0	31-03-2019	Nil Movement during the year		0	0
2	Ms. Purnima Nagpal Company Secretary (Ceased w.e.f 10 th January 2019)	0	0	10/01/2019	Nil Movement during the year		0	0
3.	Ms. Harshita Jindal Company Secretary (Appointed w.e.f 10 th January 2019)	0	0	10/01/2019	Nil Movement during the year		0	0
				31-03-2019			0	0

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

(In Rs.)

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal	2,30,47,443	-	-	2,30,47,443
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	2,30,47,443			2,30,47,443
	Change in Indebtedness during the financial year				
	Addition	77,87,591	-	-	77,87,591
	Reduction	(13,88,713)	-	-	(13,88,713)
	Net Change	63,98,878			63,98,878
	Indebtedness at the end of the financial year				
i)	Principal Amount	2,94,46,321	-	-	2,94,46,321
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	2,94,46,321			2,94,46,321

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. Akash Sethi*	Mr. Amita Sethi	Mr. Vikas Gokhale	
		Managing Director	Joint Managing Director	Whole-time Director	Whole-time Director	
	Gross salary					
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	5,00,000	6,00,000	9,66,000	44,66,000
	(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	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	24,00,000	5,00,000	6,00,000	9,66,000	44,66,000
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013				

*Mr. Akash Sethi was appointed on the Board of the company w.e.f. 14th August 2018

B Remuneration to other directors

(In Rs.)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Mr. Sushil Kumar Patni	Mr. Anil Rathi *	Mr. Pravin Badjatya *	Mr. Varun Rawat **	Mr. Rajesh Kumar Bhale **	Mr. Mahesh Purohit **	
	Fee for attending board committee meetings	NIL						
	Commission							
	Others, please specify							
	Total (1)							
2	Other Non-Executive Directors							
	Fee for attending board committee meetings							
	Commission							
	Others, please specify							
	Total (2)							
	Total (B)=(1+2)							
	Total Managerial Remuneration (A+B)							44,66,000
	Overall Ceiling as per the Act	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.						

* The Directors resigned from Board of the Company w.e.f. 03rd August 2018

** The Directors was appointed on the Board of the Company w.e.f. 14th August 2018

C Remuneration to Key Managerial Personnel Other than MD/Manager/MTD

SN.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Ashok Atulkar	Ms. Purnima Nagpal	Ms. Harshita Jindal	Total Amount
		Chief Financial Officer	Company Secretary (Ceased w.e.f. 10th January 2019)	Company Secretary (Appointed w.e.f. 10th January 2019)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,16,125	1,35,000	45,000	3,96,125
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	2,16,125	1,35,000	45,000	3,96,125

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

There were no Penalties/Punishment/Compounding of Offences for the year ended 31st March 2019.

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTOR					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICER IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

*Note: MGT-9 (Extract of Annual Return) can also be accessed at the website www.pacetronix.com.

PLACE: Pithampur
DATE: 13.08.2019

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

Akash Sethi
Join Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN - 05193393)

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. (9,52,698)
6.	Total Assets	Rs. 2,12,25,695
7.	Total Liabilities	Rs. 2,12,25,695
8.	Investments	-
9.	Turnover	Rs. 36,76,511
10.	Profit before taxation	Rs. 1,14,105
11.	Provision for taxation	Rs. 22,630
12.	Profit after taxation	Rs. 1,805
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 and on behalf of the Board of Directors of
Shree Pacetronix Limited

For Ajay Sharma & Company
Chartered Accountants

Ajay Sharma
Proprietor
M. No. 404968

Akash Sethi
Join Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN - 05193393)

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 arrangements or transaction 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. 29,05,500	30/05/2018	Nil
Shree Coratomic Limited Subsidiary Company	Purchase of Machinery	In the last Quarter of Financial Year 2018-19	Rs. 37,51,000	13/02/2019	Nil

For and on behalf of the Board of

Shree Pacetronix Limited

Date: 13/08/2019
Place: Pithampur

Akash Sethi
Joint Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN - 05193393)

Annexure-IV**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[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 31st March, 2019 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 31st March, 2019 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, 2018; *which is not applicable to the Company during the Audit Period.*
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *which is not applicable to the Company during the Audit Period.*
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *which is not applicable to the Company during the Audit Period.*
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; *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, 1998/2018; *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 applicable clauses of 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 Directors 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.

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

Place: Indore

Date: 13/08/2019

Signature: _____

Shraddha Jain

ACS No: 39488

C P No: 14717

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, 2019 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 2018-19.**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. 9,37,522/-

C. Foreign exchange earnings and Outgo-

In Rupees

S. No.	Particulars	31.03.2019	31.03.2018
1.	Foreign Exchange earned: - FOB Value of Exports	18,92,937	98,18,015
TOTAL EARNINGS		18,92,937	98,18,015
2.	Expenditure in Foreign Exchange : - Foreign travel - Fees for Technical Services - Capital Goods - Raw Materials (CIF Value of Imports)	3,51,280 - - 2,37,74,011	3,07,181 - - 1,84,50,049
TOTAL EXPENDITURE		2,41,25,291	1,87,57,230

PLACE: Pithampur

DATE: 13/08/2019

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

Akash Sethi
Joint Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN -05193393)

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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19.

S. N.	Name of Director/KMP	Designation	Remuneration of Director/KMP for financial year 2018-19 (In Rs.)	% increase in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Atul Kumar Sethi	Managing Director	2400000	-	14:1
2.	Mrs. Amita Sethi	Whole-Time Director	600000	-	4:1
3.	Mr. Vikas Gokhale	Whole-Time Director	9,66,000	-	6:1
4.	Mr. Akash Sethi*	Joint Managing Director	5,00,000	-	3:1
5.	Mr. Sushil Kumar Patni	Independent Director	-	-	-
6.	Mr. Mahesh Purohit	Independent Director	-	-	-
7.	Mr. Varun Rawat	Independent Director	-	-	-
8.	Mr. Rajesh Kumar Bhale	Independent Director	-	-	-
9.	Mr. Anil Rathi (Ceased w.e.f 03rd August 2018)	Independent Director	-	-	-
10.	Mr. Pravin Badjatya (Ceased w.e.f 03rd August 2018)	Independent Director	-	-	-
11.	Mr. Ashok Atulkar	Chief Financial Officer	2,16,125	3.92	-
12.	Ms. Purnima Nagpal (Ceased w.e.f 10th January 2019)	Company Secretary	1,35,000	-	-
13.	Ms. Harshita Jindal (Appointed w.e.f 10th January 2019)	Company Secretary	45000	-	-

*Mr. Akash Sethi was Appointed on the Board of the Company w.e.f. 14/ 8/2018.

- The percentage increase in the median remuneration of employees in the financial year- 7.39%
- The number of permanent employees on the rolls of Company as on March 31, 2019: 45.
- Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2018-19 was 0.67% whereas there is no increase in the managerial remuneration for the same financial year. There are no exceptional circumstances for increase in the managerial remuneration.
- 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.
- 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: 13/08/2019

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

Akash Sethi
Joint Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN -05193393)

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 COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED FROM TIME TO TIME FOR THE YEAR ENDED 31ST MARCH, 2019.

S. No.	Name	Designation	Age (In years)	Remuneration received During the Financial Year (In Rs.)	Qualification and Experience	Date of Joining	Last Employer
1	Mr. Atul Kumar Sethi	Managing Director	57	24,00,000	MBA (Marketing), 22 years	11.01.1988	
2	Mr. Vikas Gokhale	Whole Time Director	44	9,66,000	M tech, 17 years	30.01.2012	
3	Mrs. Amita Sethi	Whole Time Director	53	6,00,000	MA, 17 years	01.12.2010	
4	Mr. Akash Sethi	Joint Managing Director	28	5,00,000	Master of Science, less than a year	14.08.2018	
5	Mr. Mayur Dilip Bhusari	General Manager, production	45	6,71,856	Graduate, 13 years	01.01.2006	
6	Mr. Pradip Tyagi	Assistant Quality control	33	6,49,500	Graduate, 11 years	19.03.2007	
7	Mr. Murtaza Faizee	Regional Sales Manager	46	5,30,496	Graduate, 22 years	11.01.1988	
8	Mr. Sumit Chakarbarti	Regional Marketing Manager	62	4,56,000	Graduate, 20 years	01.12.1997	CADILA
9	Mr. Indranil Gupta	Regional Marketing Manager	50	4,50,000	Graduate, 12 years	01.03.2004	-
10	Mr. Rabin Chakrabort	Sale Manager	54	3,84,000	Graduate, 14 years	01.06.2003	
11	Mr. Arvind Mishra	Engineer at Tool Room Department	33	3,60,285	Post Graduate, 11 years	21.02.2014	Man Trucks
12	Mr. Rajesh Bhauraoji Wath	Temp Pacemaker Quality Control Manger	48	3,43,212	Graduate, 19 years	01.07.1999	
13	Mr. Vijay Kumar Soni	Lead QC Manager	43	3,37,500	Graduate, 22 years	01.09.1996	
14	Mr. Rupak Kumar Das	Regional Marketing Manager	56	3,00,000	Graduate, 15 years	01.04.2003	

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

PLACE: Pithampur
DATE: 13/08/2019

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

Akash Sethi
Joint Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN -05193393)

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 Audited Financial Statements (Standalone & Consolidated) and the Cash Flow Statement for the Financial year ended 31 March, 2019 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 violative 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. Not noticed any deficiency that needs to be rectified or disclosed to the Auditors and the Audit.
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 2018-19.
 - 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.

PLACE: Pithampur

DATE: 30/05/2019

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

Ashok Atulkar
Chief Financial Officer

Atul Kumar Sethi
Managing Director

ANNEXURE IX

CORPORATE GOVERNANCE REPORT

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] the Corporate Governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable on the Company. But, the Company has voluntarily complied with Corporate Governance Norms upto the Quarter ended 31st December 2018 and on 08th April, 2019 your Directors intimated to Stock exchange regarding non-applicability of above corporate Governance provisions for the Quarter ended 31st March 2019.

However your Company believes in Good Corporate Governance Practices, so the Directors present the Report on Good Corporate Governance for the year ended 31st March 2019 to have more transparency and disclosures.

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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. Akash Sethi	Promoter, Executive Director
Mr. Sushil Kumar Patni	Independent Director
Mr. Mahesh Purohit	Independent Director
Mr. Rajesh Kumar Bhale	Independent Director
Mr. Varun Rawat	Independent Director
Mr. Anil Rathi *	Independent Director
Mr. Pravin Badjatya *	Independent Director

* The Directors resigned from the Board of the Company with effect from 03rd August 2018

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	4	50
Independent Directors	4	50
TOTAL	8	100

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

Director Name	Name of the Company	Designation
Atul Kumar Sethi	Shree Coratomic Limited	Director
Vikas Gokhale	Shree Coratomic Limited	Director
Akash Sethi	Shree Coratomic Limited	Director
Sushil Kumar Patni	Shree Coratomic Limited	Director

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.

c. Reason of Resignation of Independent Director:

Mr. Anil Rathi (DIN: 00492926) has resigned from the post of Independent Non-Executive Director w.e.f. 03rd August, 2018. He has resigned due to preoccupation elsewhere and as he was not in position to devote his time to the affairs of the Company. Further, he has provided the confirmation for the same.

Mr. Pravin Badjatya (DIN: 00245849) has resigned from the post of Independent Non-Executive Director w.e.f. 03rd August, 2018. He has resigned due to preoccupation elsewhere and as he was not able to devote his time to the affairs of the Company. Further, he has provided the confirmation for the same.

d. Key Board Qualifications, Expertise and Attributes

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. In view of the objectives and activities of our Business, the Company requires skills/expertise/ competencies in the areas of Finance, Regulatory, Strategy, Business Leadership, Managerial, Technology, Pharmaceuticals industry knowhow, Sales & Marketing, Hospitality and Risk & Governance. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

e. 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 10 (Ten) times on:

29th May 2018 (adjourned to 30th May 2018), 14th August 2018, 21st August 2018, 27th September 2018, 14th November, 2018, 15th December 2018, 10th January 2019, 13th February 2019, 12th March 2019 and 29th March 2019.

f. 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, 2019 are given in the following table

S. No	Name of the Director	Category	Attendance at Board meeting attended during 2018-19	Attendance at AGM held on 29th September 2018	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)	Promoter, Executive Director	9	No	2	-	1	
2.	Mrs. Amita Sethi (DIN: 00245722)	Promoter, Executive, Woman Director	9	No	1	-	-	
3.	Mr. Akash Sethi (DIN:08176396)	Promoter, Executive Director	8	Yes	2	-	-	
4.	Mr. Vikas Gokhale (DIN:05193393)	Executive Director	10	Yes	2	-	-	
5.	Mr. Sushil Kumar Patni (DIN: 00245754)	Independent Director	10	Yes	2	3	3	-
6.	Mr. Anil Rathi (DIN: 00492926)	Independent Director	1	NA	0	0	0	-
7.	Mr. Pravin Badjatya (DIN: 00245849)	Independent Director	1	NA	0	0	0	-
8.	Mr. Mahesh Purohit (DIN:07560407)	Independent Director	6	Yes	1	-	3	-
9.	Mr. Rajesh Kumar Bhale (DIN: 01933024)	Independent Director	6	Yes	1	-	2	-
10.	Mr. Varun Rawat (DIN: 08203524)	Independent Director	6	Yes	1	0	0	-

g. 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 **Friday, 29th March, 2019** without the attendance of non-independent directors and members of management. They discussed following at the meeting:

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

All the independent directors were present at the meeting.

h. 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.

i. Inter-se relationship among directors

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

j. Note on Directors Appointment/ Re-appointment

- (i) Appointment of Mr. Varun Rawat (DIN: 08203524), Mr. Mahesh Purohit (DIN: 07560407) and Mr. Rajesh Bhale (DIN: 01933024) as an Additional director in the Category of Non-Executive Independent Director with effect from 14th August 2018 by the Board of Directors. Further approval of appointment of Mr. Varun Rawat (DIN: 08203524), Mr. Mahesh Purohit (DIN: 07560407) and Mr. Rajesh Bhale (DIN: 01933024) as an Independent Director of the Company for a term upto five consecutive years commencing from 14th August 2018 upto 13th August 2023 by the Members of the Company.
- (ii) Appointment of Mr. Akash Sethi (DIN: 08176396) as an Additional director in the Category of Executive Promoter Director with effect from 14th August 2018 by the Board of Directors. Further approval of appointment of Mr. Akash Sethi (DIN: 08176396) as a Joint- Managing Director of the Company with effect from 14th August 2018 till 13th August 2021 by the Members of the Company.
- (iii) Re-appointment of Mr. Sushil Kumar Patni (DIN: 00245754) as an Independent Director for a second term of five (5) consecutive years commencing from 01st April 2019 to 31st March 2024 by the Board of Directors. Further approval of the re-appointment of Mr. Sushil Kumar Patni (DIN: 00245754) as an Independent Director by the Members 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 31st March, 2019, 6 (Six) Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

29th May 2018 (adjourned to 30th May 2018), 14th August 2018, 21st August 2018, 14th November 2018, 13th February 2019 and 29th March 2019.

Further, due to resignation of Mr. Anil Rathi and Mr. Pravin Badjatya, Independent Directors of the Company w.e.f. 03rd August 2018, there was need for Reconstitution of the Audit Committee of the Board. Hence the Board of Directors in their meeting held on 14th August 2018 reconstituted the Audit Committee.

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

Name	Category	Number of Meetings during the year 2018-19	
		Held	Attended
Mr. Sushil Patni (DIN : 00245754)	Chairman, Independent Director	6	6
Mr. Mahesh Purohit (DIN : 07560407)*	Member, Independent Director	5	5
Mr. Rajesh Kumar Bhale (DIN : 01933024)*	Member, Independent Director	5	5
Mr. Anil Rathi DIN : 00492926**	Member, Independent Director.	1	1
Mr. Pravin Badjatya DIN : 00245849**	Member, Independent Director.	1	1

* The Directors were appointed as an Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. 14th August 2018

** The Directors were resigned from the Board of the company w.e.f. 03rd August 2018.

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 31st March, 2019, 4 (Four) meetings of Nomination and Remuneration Committee were held and the dates on which the said meetings were held are:

31st July 2018, 14th August 2018, 10th January 2019 and 29th March 2019.

Further, due to resignation of Mr. Anil Rathi and Mr. Pravin Badjatya, Independent Directors of the Company w.e.f. 03rd August 2018, there was need for Reconstitution of the Nomination and Remuneration Committee of the Board. Hence the Board of Directors in their meeting held on 14th August 2018 reconstituted the Nomination and Remuneration Committee.

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. Mahesh Purohit (DIN: 07560407) *	Member, Independent Director	3	3
Mr. Rajesh Kumar Bhale (DIN: 01933024) *	Member, Independent Director	3	3
Mr. Anil Rathi (DIN: 00492926)**	Member, Independent Director	1	1
Mr. Pravin Badjatya (DIN: 00245849)**	Member, Independent Director	1	1

* The Directors were appointed as an Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. 14th August 2018

** The Directors were resigned from the Board of the company w.e.f. 03rd August 2018.

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, trustworthiness, active and effective participation by members.

For Board Committee:

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

iv. Remuneration Of Directors

➤ Transactions with Non-executive Directors

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

➤ Criteria for making payment

As per the Nomination and Remuneration Policy of the Company which is placed on the Company's website at www.pacetrnix.com.

➤ Remuneration to Executive Directors

During the financial year, there were only 4 (Four) directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration to the Executive Directors are as follows:

In Rupees (Rs.)

Name of Directors	Designation	Salary	Benefits	Commission	Bonus	Total
Mr. Atul Kumar Sethi DIN: 00245685	Managing Director	24,00,000	-	-	-	24,00,000
Mrs. Amita Sethi DIN: 00245722	Whole time Director	6,00,000	-	-	-	6,00,000
Mr. Vikas Gokhale DIN: 05193393	Whole time Director	9,66,000	-	-	-	9,66,000
Mr. Akash Sethi DIN: 08176396	Joint Managing Director	5,00,000	-	-	-	5,00,000

- 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.
- No sitting Fees was paid to any Director of the Company during the financial year.
- The Company is not paying any remuneration to the Non-Executive/Independent Directors.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

i. Terms of reference

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

ii. Composition and Meetings

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

During the financial year ended 31st March, 2019, 5 (five) Stakeholders Relationship Committee Meetings were held and the dates on which the said meetings were held are as follows:

29th May 2018, 14th August 2018, 14th November 2018, 13th February 2019 and 11th March 2019.

Further, due to resignation of Mr. Anil Rathi, Independent Director of the Company w.e.f. 03rd August 2018, there was need for Reconstitution of the Stakeholders Relationship Committee of the Board. Hence the Board of Directors in their meeting held on 14th August 2018 reconstituted the Stakeholders Relationship Committee.

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	5	5
Mr. Atul Kumar Sethi (DIN: 00245685)	Member, Independent Director	5	5
Mr. Mahesh Purohit (DIN: 07560407)*	Member, Independent Director	4	4
Mr. Anil Rathi (DIN: 00492926)**	Member, Independent Director	1	1

* The Director was appointed as an Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. 14th August 2018

** The Director was resigned from the Board of the company w.e.f. 03rd August 2018.

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	15
2.	Complaints disposed of during the Year	15
3.	Complaints pending at the end of the year	0

Ms. Harshita Jindal, 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:

AGMEGM	Date	Venue	Time	Whether any Special Business Transacted?
30 th AGM	29 th September 2018	Registered Office of the Company	11:00 AM	Yes
29 th AGM	25 th September 2017	Registered Office of the Company	11:30 AM	Yes
28 th AGM	30 th September 2016	Registered Office of the Company	11:00 AM	Yes

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 proforma 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) or "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**

On Saturday, 28th September, 2019 at 11.00 A.M at the Registered Office of the Company.

b. Financial Year: 1st April to 31st March.

c. Financial Calendar**(Tentative)**

Results for the Quarter ending 30 th June, 2019:	First Fortnight of August, 2019
Results for the Quarter ending 30 th September, 2019:	First Fortnight of November, 2019
Results for the Quarter ending 31 st December, 2019:	First Fortnight of February, 2020
Results for the Quarter ending 31 st March, 2020:	Last week of May, 2020

d. Dividend

The Board of Directors of the Company has not declared any dividend on equity share for the financial year 2018-19.

e. Book Closure

Saturday, 21st September 2019 to Saturday, 28th September 2019 (both days inclusive) for the purpose of AGM.

f. 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 2018-19.

g. Plant Location : Shree Pacetrnix 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: pacetrnix@hotmail.com

h. 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- 4065799 /97

Fax- 0731-4065798

E Mail Id: rtaindore@gmail.com, ankit_4321@yahoo.com

ii. Compliance Officer/ Company Secretary

Shree Pacetronix Limited

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

i. Stock Market Data: Monthly High/Low/Close during each month at the BSE in the Financial Year 2018-19 :

In Rupees (Rs.)

Year	High	Low	Close
March 2019	12.86	12.86	12.86
February 2019	-	-	-
January 2019	-	-	-
December 2018	12.25	12.25	12.25
November 2018	-	-	-
October 2018	-	-	-
September 2018	-	-	-
August 2018	12.30	11.69	11.69
July 2018	-	-	-
June 2018	-	-	-
May 2018	-	-	-
April 2018	12.30	12.28	12.30

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



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

(SEBI Reg. No. INR 000000767)

60, Electronics Complex, Pardesipura,

Indore (M.P.)

Pin code: 452010

Phone- 0731- 4065799 /97

Fax- 0731-4065798

E Mail Id: rtaindore@gmail.com, ankit_4321@yahoo.com

l. Share Transfer System:

To expedite the process of share transfer, transmission, split, consolidation, dematerialization, redressal of the shareholder's grievances in this respect, the Board of Directors have delegated the powers in respect of these matters to its Registrar and Share transfer Agent (RTA) – Ankit Consultancy Private Limited. The details of the shareholder's request in these matters received during the quarter are also placed before the Stakeholders Relationship Committee' meetings to take the note of the same on record.

m. Distribution of shareholding as on 31st March, 2019

Shareholding of Nominal value of Shareholders	Number of Shareholders	Percentage of Total	Share Amount in Rs.	Percentage of Total
Rs. Rs.				
1 — 1000	4,523	80.27	4424960	12.29
1001 – 2000	534	9.48	1051660	2.92
2001 – 3000	125	2.22	364050	1.01
3001 – 4000	71	1.26	275220	0.76
4001 — 5000	196	3.48	978050	2.72
5001 — 10000	93	1.65	741610	2.06
10001 — 20000	41	0.73	592400	1.65
20001 — 30000	7	0.12	169990	0.47
30001 — 40000	6	0.11	218750	0.61
40001 — 50000	7	0.12	315050	0.88
50001 — 100000	11	0.20	744370	2.07
ABOVE 100000	21	0.37	26117890	72.56
TOTAL	5,635	100.00	35994000	100

n. Dematerialization of shares as on 31.03.2019:

Trading in company's equity shares is facilitated compulsorily in dematerialized form as per notification issued by SEBI. The break-up of holding of equity shares in physical and demat form as on 31 March, 2019 is as follows:

Category	No. of Equity Shares of Rs. 10/- each	Percentage(%)
Total number of Demated shares with NSDL	16,18,170	44.96
Total number of Demated shares with CDSL	6,72,504	18.68
Physical	13,08,726	36.36
TOTAL	35,99,400	100

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

Shareholding Pattern as on 31st March, 2019

S. No.	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters & Promoter Group	8,72,706	24.25
2.	Corporate Bodies	4,40,365	12.23
3.	Indian Public	15,63,964	43.45
4.	NRIs/OCBs	7,22,365	20.07
	TOTAL	35,99,400	100.00

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 are as per Indian Accounting Standards (Ind AS 24) and are presented in Note-35 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 also formulated a Policy on Related Party Transactions which has been posted on the website of the Company and can be accessed through web link <http://www.pacetrnix.com/investor-corner/policies/>

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

The Co. received a notice by BSE Ltd. for non-compliance with the provision of regulation 6 (1) of SEBI (LODR) regulations, 2015 for the quarter ended December, 2018 which was than clarified by the Co. & the penalty was waived off thereafter.

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. 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 as amended from time to time and notified under Section 133, as applicable along with other relevant provisions of the Act.

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

g. Disclosure of Subsidiaries

The Company has 1 (one) unlisted Indian Public Company – Shree Coratomic Limited as its subsidiary as on 31st March 2019. The detail of subsidiary is provided in detailed manner in Directors' Report. Pursuant to amendment in Regulation 16 of SEBI (LODR), regulation, 2015, such subsidiary becomes material subsidiary of the Company w.e.f. 01st April 2019.

However, pursuant to Regulation 24(1) of the Listing Regulations, the Subsidiary is not 'material subsidiary' of the Company and was therefore, not required to have an Independent Director of the Company on the Board of such subsidiary. However, Independent Director of the Company, Mr. Sushil Kumar Patni is appointed as Independent Director on the Board of its subsidiary.

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.pacetrnix.com.

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

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. Upto the quarter ended 31st December 2018 and claim the exemption by intimating to the Stock Exchange for the quarter ended 31st March 2019.

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 and as amended from time to time, the Company has placed Code of Conduct for prohibition of Insider Trading on its website www.pacetrnix.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.pacetrnix.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, 2019. A declaration signed by the Managing Director to this effect is given below.

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

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Atul Kumar Sethi, Managing Director of the Company hereby confirm that the Company has received declarations from all Board Members and Senior Management Personnel of the Company affirming compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2019.

The Code is available on the website of the Company at www.pacetrnix.com

Date: 30/05/2019

Place: Pithampur

Atul Kumar Sethi

Managing Director

(DIN- 00245685)

15. The Disclosures Of The Compliance With Corporate Governance Requirements Specified In Regulation 17 To 27 And Clauses (B) To (I) Of Sub-Regulation (2) Of Regulation 46:

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable on the Company. However, the Company has complied with all the provision of Corporate Governance as per SEBI (LODR) Regulations, 2015 upto the Quarter ended 31st December 2018 but on 08th April, 2019 your Directors intimated to Stock exchange regarding non-applicability of above corporate Governance provisions for the Quarter ended 31st March 2019. However your Company has voluntary followed Corporate Governance Practice even after 08th April, 2019 as far as possible.

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

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

17. SEXUAL HARASSMENT POLICY

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

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

- a. Number of complaints filed during the financial year: **Nil**
 - b. Number of complaints disposed of during the financial year: **Nil**
 - c. Number of complaints pending as on end of the financial year: **Nil**
- 18.** The Company has not made any preferential allotment or qualified institutions placement and therefore, disclosure of details of utilization of funds raised through such sources is not applicable on the Company.
- 19.** Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations: **NIL**
- 20.** Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted. **NIL**

PLACE: Pithampur
DATE: 13/08/2019

For and on behalf of the Board of Directors of
Shree Pacetrnix Limited

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

Akash Sethi
Joint Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN -05193393)

ANNEXURE – X**INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of
Shree Pacetronix Limited**

I have examined the compliance of conditions of Corporate Governance by **Shree Pacetronix Limited** (hereinafter called "The Company") for the financial year ended on March 31, 2019 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 [hereinafter referred to as "SEBI (LODR) Regulations, 2015"].

As per Regulation 15 of SEBI (LODR) Regulations, 2015 the corporate governance provisions as specified above are not applicable on the Company. However the Company has voluntarily complied with all the provision of Corporate Governance as per SEBI (LODR) Regulations, 2015 upto the Quarter ended 31st December 2018. But on 08th April, 2019 the Company intimated to Stock exchange regarding non-applicability of above corporate Governance provisions for the Quarter ended 31st March 2019. Hence this certificate is issued for the period from 1st April, 2018 to 31st December, 2018.

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

My 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. My responsibility was limited to the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance.

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

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

**For Ajay Sharma & Company
Chartered Accountants**

Place: Indore
Date: 13/08/2019

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

ANNEXURE-XI
MANAGEMENT DISCUSSION & ANALYSIS REPORT

India is fast growing as a key market for medical devices outsourcing and will continue to consolidate its position in 2019. The Indian Healthcare industry is on a high growth trajectory having evolved significantly in the last decade.

At present, India's market value of the medical device has been evaluated to be \$5.2 billion with a involvement of about 5% to the healthcare industry as a whole. The industry has gradually grown and experienced an increase from USD 2.02 billion in 2009 to USD 3.9 billion in 2015 at a Compound Annual Growth Rate (CAGR) of 15.8%. According to a Deloitte report, the growth rate of India's medical-device industry is around 15 per cent which is more than double of the global industry growth rate of 4-6 per cent, and is expected to become a \$ 25-30 billion industry in India by 2025.

The current demand and supply side dynamics provide a significant opportunity and rationale for manufacturing medical devices in India. The Government of India's 'Make in India' initiative presents a platform for the sector to revisit the operating model, identify key imperatives for growth and explore possibilities for creating a step change in the medical devices sector.

A key area of concern for India is the proportion of non-communicable diseases which is expected to rise in the next decade. Further, presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical tourism.

Increasing prevalence of cardiovascular diseases (CVDs) is a key factor governing the growth of the global market. As per statistics published by the World Health Organization (WHO), CVDs are the number 1 cause of death globally, more people die annually from CVDs than from any other cause.

An estimated 17.9 million people died from CVDs in 2016, representing 31% of all global deaths. Of these deaths, 85% are due to heart attack and stroke. Out of the 17 million premature deaths (under the age of 70) due to noncommunicable diseases in 2015, 82% are in low- and middle-income countries, and 37% are caused by CVDs.

CVDs can be treated by use of medical devices include pacemakers, prosthetic valves, and patches for closing holes in the heart. 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.

More than 20,000 pacemakers are implanted each year in India and the numbers are growing annually. Despite this growing numbers, there is no national registry in India who collects or tracks data of implanted devices. The pacemakers market is driven by various factors such by increasing prevalence of cardiovascular diseases and technological advancements in devices.

The pacemakers market is projected to reach USD 4.9 billion by 2023 from USD 4.4 billion in 2018, at a CAGR of 2%.

OPPORTUNITIES AND THREATS

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.

The Government of India approved the continuation of National Health Mission with a budget of Rs 31,745 crore (US\$ 4.40 billion) under the Union Budget 2019-20. The Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (AB-PMJAY), the largest government funded healthcare program targeting more than 500 million beneficiaries, was allocated Rs 6,400 crore (US\$ 887.04 million), under the Union Budget 2019-20. AB-PMJAY has already been dubbed as a game changer for the Indian healthcare system. The AB-PMJAY is creating good opportunity for our industry.

THREATS:-

The medical device industry market is very dynamic and the key drivers impacting this sector are healthcare expenditure, technological development, aging population, and chronic diseases. Further emerging trends that impact the medical device industry include the changing medical technology landscape, software as a differentiator in medical devices, as well as design and manufacturing of patient portable or smaller devices. Stringent government rules and regulations for the development & manufacture of medical devices 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. 72.66 Lacs during the financial year. However, the company is continuously 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 will build on its customer touch points which are consignee agents and hospitals. Manufacturing costs will continue to remain a focus area.

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 pacemaker market has been segmented based on product type, application, implant approach and end user.

RISK AND CONCERNS:

Company has aligned risk management process with every part of the critical business processes to ensure that the processes are designed & operated effectively towards the achievement of business objectives. Risks are identified & assessed across all key business functions in a holistic manner rather than in silos.

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.

The following broad categories of risks to the business objectives have been considered in the risk management framework:-

1. Political and Economic Risk

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

2. Compliance Risks

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

3. Operational Risks

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

CONCERNS

Poor public healthcare funding and infrastructure, currency fluctuations, regulatory issues, government mandated price controls, inflation and resultant all round increase in input costs are few causes of concern. Healthcare provision remains inequitable and challenges in access to quality, affordable healthcare persist in large parts of the country.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company has proper internal control system which provides adequate safeguards and effective monitoring of the transactions. The Company has comprehensive internal financial controls system for all major processes including financial statements to ensure reliability of reporting. The Company has appointed an internal auditor which carries out audit throughout the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board. The system also helps management to have timely data on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial controls system of the Company is commensurate with the size, scale and complexity of its operations. The system and controls are periodically reviewed and modified based on the requirement.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year 2018-19, the financial performance of company has increased as compared to previous year due to increase in sale and revenue of the Company. Company has generated increase revenue of Rs. 72.66 Lacs during the financial year against the revenue of Rs. 65.98 Lacs in the Previous Financial Year. The Company's has earned a profit of Rs. 14.10 Lacs as compared to profit of Rs. 7.63 Lacs in previous Financial Year. The overall performance of the Company in the current year is increased against the performance of the Company in Previous Year. The Company is highly working on its commitments and growth. The Company's management is making regular efforts for improving operating efficiencies and increases its performance.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. The Company has built a competent team to handle challenging assignments. As on 31st March, 2019, there were 45 permanent employees on the roll of the Company. Our Company shares good industrial relations which improves the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. Complete unity of thought and action is placed in organization. It has increased the place of workers in the society. During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. The Company strives to enhance the technical, work related and general skills of employees on a continuous basis. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity. Industrial relations were cordial throughout the year at all locations.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

There are no significant changes (i.e. change of 25% or more as compared to immediately previous financial year) in key financial ratios of the Company including the ratios specified in Schedule V of SEBI (LODR) Regulations, 2015.

CHANGES IN RETURN ON NETWORTH

Return on net worth for FY 2018-19 is 3.92% whereas return on networth for FY 2017-18 is 2.12%.

Return on net worth is higher for the year ended March 31, 2019 due to higher profit after tax.

DISCLOSURE IN ACCOUNTING TREATMENT

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

PLACE: Pithampur
DATE: 13/08/2019

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

Akash Sethi
Joint Managing Director
(DIN - 08176396)

Vikas Gokhale
Whole time Director
(DIN -05193393)

ANNEXURE-XII**NOMINATION AND REMUNERATION POLICY****1. INTRODUCTION:**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. OBJECTIVES OF THE COMMITTEE:

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- ii. Formulate the criteria for evaluation of Independent Directors and the Board of directors
- iii. To specify manner for effective evaluation of performance of Board, its committees and individual directors which is to be carried out either by the Board or by the NRC and also to review its implementation and compliance;
- iv. Devise a policy on Board diversity;
- v. Identify persons who are qualified to become Directors and persons who may be appointed in Senior Management positions in accordance with the criteria laid down in this policy;
- vi. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vii. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- viii. recommend to the board, all remuneration, in whatever form, payable to senior management

3. DEFINITIONS:

- ♦ **"Committee"**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- ♦ **"Company"**:- Company means 'Shree Pacetronix Limited.
- ♦ **"Key Managerial Personnel"**:- Key Managerial Personnel (KMP) means-
 - (i) the Chief Executive Officer or the Managing Director or the Manager or the whole-time director;
 - (ii) the Company Secretary;
 - (iii) the Chief Financial Officer.
- ♦ **"Independent Director"** means a Director referred to in Section 149(6) of the Companies Act, 2013, rules made thereunder and as defined under Regulation 16 of the SEBI (LODR), 2015.
- ♦ **"Senior Management"**:- The expression "senior management" means officer/personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the [chief executive officer/managing director/whole time director/manager [including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer].

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. APPLICABILITY:-

The Policy is applicable to:

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

5. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:-

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

6. GENERAL APPOINTMENT CRITERIA:-

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

- i. The Committee shall identify, ascertain and consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, SEBI (LODR) Regulations 2015 or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, SEBI (LODR) Regulations 2015 or any other enactment for the time being in force.
- iv. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

7. ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee shall satisfy itself with regard to the Independent nature of the Directors so as to enable the Board to discharge its function and duties effectively. Independent Director shall meet all criteria specified under the provisions of the Companies Act, 2013 and rules made there under and SEBI (LODR) Regulations, 2015,. The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions'.

8. TERM/TENURE:

The Term / Tenure of the Directors shall be governed as per provisions of the SEBI (LODR) Regulations, 2015, Companies Act, 2013 and other rules and act made applicable there under as amended from time to time.

9. POLICY ON BOARD DIVERSITY:

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

10. REMUNERATION POLICY FOR REMUNERATION TO DIRECTORS/KEY MANAGERIAL PERSONNEL/SENIOR MANAGEMENT PERSONNEL:-**A. Non-Executive Directors:**

The Company doesn't pay any remuneration and/or Commission to the Non-Executive Directors.

The Company doesn't pay sitting fee for attending meeting of the Board of directors including committee meetings thereof.

The Company does not provide any ESOP, etc to its directors.

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

B. Executive Directors & Key Managerial Personnel :

- i. The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration Policy of the Company for Director & Key managerial personnel is primarily based on the following criteria:
 - ◆ Overall Performance of the Company, its divisions and units.
 - ◆ Track record, potential and performance capacity and capability of individual.
- ii. The Nomination and Remuneration Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Key Managerial Personnel and Senior Management Personnel to the Board for their approval.
- iii. The remuneration shall be governed as per provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and rules made there under or any other enactment for the time being in force.
- iv. The remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the company and to provide quality required to run the company successfully.
- v. The relationship of remuneration and performance should be clear and meet appropriate performance benchmarks.
- vi. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- vii. The Company doesn't pay sitting fee for attending meeting of the Board of directors including committee meetings thereof. The Company do not provides any ESOP, etc to its directors.
- viii. The Company shall pay remuneration to its CS and CFO as per the terms of the appointment as approved by the Nomination and Remuneration Committee and they shall also entitled for the annual increments based on their performance, evaluated by the Nomination and Remuneration Committee and Board on annual basis.

11. CRITERIA FOR EVALUATION OF PERFORMANCE OF INDEPENDENT DIRECTORS AND THE BOARD OF DIRECTORS:-

A. 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.

B. 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 function and responsibilities prescribed under law, Monitoring the effectiveness of corporate governance practice, 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.

C. For Board as a whole:

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

12. REMOVAL:-

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

13. AMENDMENT:-

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

ANNEXURE-XIII
POLICIES

Your Company is committed to adhere to the highest possible standards of ethical, moral and legal business conduct. Considering this, your Company has, inter alia, in accordance with the requirements of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations 2015), SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Insider Trading Regulations”) formulated certain policies. The policies as mentioned below are available on the Company’s website, at www.pacetrnix.com. These policies are reviewed periodically and are updated as and when needed. During the year, the Company had revised and adopted some of its Policies in order to align the same with recent changes in Corporate Laws.

A brief description about the Key Policies adopted by the Company is as under:

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
Whistleblower Policy (Policy on Vigil Mechanism)	The Vigil Mechanism as envisaged in the Act and SEBI (LODR) Regulations, 2015 is implemented through the Whistle Blower Policy to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.	The Whistleblower Policy was amended in line with the amendments brought in through SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, enabling employees to report insider trading violations as well as reporting of instances of leak of unpublished price sensitive information.
Code of Conduct for Board of Directors and Senior Management Personnel	This Code has been formulated for Directors and Senior Management Personnel for complying with the highest standards of business ethics and Business Conduct	During the year, changes were made in the code to align the same with the amendments made to the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.
Policy on Terms and Conditions of appointment of Independent Directors	This policy is framed to determine the criteria for Terms and Conditions of appointment, Remuneration, role and duties of Independent Directors	During the year, Policy was revised in line with the related amendments in the Companies Act, 2013 and the SEBI (LORD) Regulations, 2015 inter alia including changes such as change in the Definition of Independent Directors.
Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	This Code has been formulated to ensure prompt, timely and adequate disclosure of Unpublished Price Sensitive Information (“UPSI”) which inter alia includes policy for Determination of “Legitimate Purposes”.	The code was amended in line with the amendments made by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 inter alia laying the procedure, policy for determining “legitimate purposes”
Policy on Related Party Transactions	The policy has been framed in order to regulate all the transactions between the Company and its related parties.	The Policy was revised in line with the related amendmenets in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, inter alia including key changes such as revision in threshold limited for determining Materiality and other related amendments along with the regulatory requirements mandated in the Companies Act.
Nomination And Remuneration Policy	This policy sets out the approach of the Company towards the criteria for determining qualifications, positive attributes and independence of a Director, identification of persons who are qualified to become Directors and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel of the Company	This policy was also amended to align it with the changes made in the SEBI Listing Regulations and with the regulatory requirements mandated in the Companies Act. inter alia including the revision in various criteria for appointment, remuneration and performance evaluation of the Directors and KMPs and other employees.

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
Policy for determination of Materiality of any Event/ Information	This policy requires the Company to make disclosure of events or information which are material to the Company as per the requirements of Regulation 30 of the SEBI (LODR) Regulations, 2015.	This policy was also amended to align it with the changes made in the SEBI (LODR) Regulations, 2015
Policy on Material Subsidiaries	This Policy is for determination of Material Subsidiaries and to provide the governance framework for such subsidiaries and also to provide disclosure thereof, as required under SEBI (LODR) Regulations, 2015.	This policy was also amended to align it with the changes made in the SEBI (LODR) Regulations, 2015.

CERTIFICATE

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

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

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

In my opinion and to the best of my information and according to the verifications {including Directors' Identification Number (DIN) status at the portal www.mca.gov.in} as considered necessary and explanations furnished to me by the Company and its Officers,

I certify that none of the Directors on the Board of the Company for the Financial year ended on March 31st 2019, has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory Authority. Ensuring eligibility for appointment / continuity of every director on the Board is the responsibility of the management of the Company.

My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore

Date: 13th August 2019

Signature: _____

Shraddha Jain
ACS No: 39488
C P No: 14717

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SHREE PACETRONIX LIMITED

Opinion

We have audited the accompanying Standalone financial statements of Shree Pacetronix Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. (hereinafter referred to as "the Standalone Ind As financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

Basis of our opinion

We conducted our audit in accordance with the Standard on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement

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

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

- ◆ Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
 - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for 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 the Investor Education and Protection Fund by the Company.

For: Ajay Sharma & Company.

**Chartered Accountants
Firm Registration No. 013306C**

**Place: Indore
Date : May 30, 2019**

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

Annexure A to Independent Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Ohter Legal and Regularity Requirements section of our reoport of even date to the members of Shree Pacetronix Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2019. We report that :

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, 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 to parties covered in the register maintained under section 189 of the Companies Act, 2013. 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 and made investments covered under section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at March 31, 2019. Therefore, 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, 2013 for business activities carried out by the Company. Thus reporting under Clause (vi) of the said Order is not applicable to the Company.
- vii. According to the information and explanations provided to us, in respect of statutory:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including of provident fund, employees' state insurance, income tax, customs duty, Goods and services tax, custom duty, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) There are no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable except Professional Tax of Rs. 60840 and Bihar Vat of Rs. 54030.
 - (c) There were no dues of income-tax, sales-tax, value added tax, Goods and service tax, customs duty, and excise duty which have not been deposited on account of any dispute.
- 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 has not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans taken by the company during the year were applied for the purpose for which the loans were obtained;
- x. To the best of our knowledge and 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, the Company is not a nidhi company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations provided 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 financial statements as required by the applicable accounting standards.

- xiv. According to the information and explanations provided to us and on an overall examination of the records of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations provided by the management, the Company has not entered into non-cash transactions with directors or persons connected to its directors as referred to in Section 192 of the Companies Act, 2013.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

CA Ajay Sharma
Proprietor
Membership number 404968

Place: **Indore**
Date : 30th May 2019

Annexure B to Auditor's Report

The Annexure referred to in paragraph 2 (F) under 'Report on Ohter Legal and Regularity Requirements section of our repoart of even date to the members of Shree Pacetronix Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2019. We report that :

We have audited the internal financial controls over financial reporting of **Shree Pacetronix Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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") issued by the Institute of Chartered Accountants of India ('ICAI') 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 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 2019, 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: **Indore**
Date : 30th May 2019

CA Ajay Sharma
Proprietor
Membership number 404968

BALANCE SHEET AS AT MARCH 31ST, 2019

(In INR Rs.)

Particulars	Note	As at March 31st, 2019	As at March 31st, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	22,957,110	17,742,432
Capital work-in-progress	2.2	-	-
Intangible assets	2.3	595,258	642,848
Financial assets			
- Investments	3	8,000,000	8,000,000
- Other financial assets	4	1,758,346	1,596,035
Deferred tax assets (Net)	5	1,080,190	1,378,280
Income Tax Assets (Net)	6	122,590	332,363
Total Non current assets		34,513,494	29,691,958
Current assets			
Inventories	7	23,096,917	22,500,810
Financial assets			
- Trade receivables	8	30,705,371	31,545,918
- Cash and cash equivalents	9	3,177,562	1,792,790
- Loans	10	334,452	455,359
- Other financial assets	11	340,597	495,410
Other current assets	12	4,271,461	2,386,026
Total current assets		61,926,359	59,176,313
TOTAL ASSETS		96,439,853	88,868,271
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	13	35,994,000	35,994,000
Other equity	14	18,385,874	16,975,301
Total Equity		54,379,874	52,969,301
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	4,003,475	3,400,259
- Other financial liabilities	16	250,000	250,000
Total Non-current Liabilities		4,253,475	3,650,259
Current liabilities			
Financial liabilities			
- Borrowings	17	23,284,261	18,280,412
- Trade payables	18	2,937,037	3,612,885
- Other financial liabilities	19	7,577,573	6,615,144
Other current liabilities	20	760,622	1,297,103
Provisions	21	2,779,512	2,244,412
Income tax liabilities (net)	22	467,500	198,755
Total Current Liabilities		37,806,504	32,248,711
TOTAL EQUITY AND LIABILITIES		96,439,853	88,868,271
Significant Accounting Policies	1		
The accompanying notes form an Integral part of the financial statements	2 to 36		

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: Indore
Date : May 30, 2019

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date : May 30, 2019

Statement of Profit and Loss Year Ended March 31st , 2019

(In INR Rs.)

Particulars	Note	As at March 31st , 2019	As at March 31st , 2018
Revenue from operations	23	72,663,988	65,988,913
Other income	24	1,666,637	118,063
Total revenue		74,330,625	66,106,976
Expenses			
Cost of materials consumed	25	31,454,493	25,682,752
Changes in inventories of finished goods, work In progress and stock-in-trade	26	(336,504)	1,497,510
Employee benefit expense	27	19,463,037	15,924,528
Finance cost	28	3,003,364	3,063,880
Depreciation and amortisation expense	2	3,763,830	3,891,887
Other expense	29	14,554,278	14,941,882
Total expenses		71,902,498	65,002,439
Profit/ (loss) before tax		2,428,126	1,104,537
Tax expense			
Current tax	30	719,464	87,880
Deferred tax	5	298,090	253,420
Profit/ (loss) for the period from continuing operations			
Profit/ (loss) for the year		1,410,572	763,237
Other comprehensive income		-	-
Total comprehensive income for the year		1,410,572	763,237
Earnings per equity share of face value of 10 each	32		
a) Basic		0.39	0.21
b) Diluted		0.39	0.21
Significant Accounting Policies	1		
The accompanying notes form an Integral part of the financial statements	36		

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: Indore
Date : 30th May 2019

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date : May 30, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(In INR Rs.)					
A. Equity Share Capital					
			Note	Amount	
As at 1st April 2017					
Changes in Equity Share during the year				35,994,000	
As at 31st March 2018				-	
Changes in Equity Share during the year				35,994,000	
As at 31st March 2019				-	
				35,994,000	
B. Other Equity					
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other Comprehensive Income	Total
As at 1st April 2017					
Profit for the year	1,500,000	4,673,108	89,25,956	-	1,50,99,064
Increase during the year	-	-	7,63,237	-	7,63,237
Other Comprehensive income for the year	-	11,13,000	-	-	11,13,000
Total Comprehensive income for the year	-	-	-	-	-
As at 31st March 2018	1,500,000	57,86,108	89,25,956	-	1,69,75,301
Profit for the year	-	-	14,10,572	-	14,10,572
Increase during the year	-	-	-	-	-
Other Comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
As at 31st March 2019	1,500,000	5,786,108	89,25,956	-	1,83,85,873

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

(CA Ajay Sharma)
Proprietor
Membership Number: 404968

Place: Indore
Date : 30th May 2019

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date : May 30, 2019

CASH FLOW STATEMENT AS AT MARCH 31ST, 2019

(In INR ₹)

Particulars	As at March 31st, 2019	As at March 31st, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	24,28,126	1,104,537
Adjusted for:		
Depreciation and Amortisation Expense	37,63,830	3,891,887
Interest Income	(2,92,512)	118,063
Interest paid	30,03,364	3,063,880
Profit on sale of fixed assets	(13,19,875)	-
	<u>51,54,807</u>	<u>7,073,830</u>
Operating Profit before Working Capital Changes	75,82,934	8,178,367
Adjusted for:		
Trade & other Receivables	(7,69,168)	(9,838,523)
Inventories	(5,96,107)	3,215,427
Trade & Other Payables	2,85,199	(702,000)
	<u>(10,80,075)</u>	<u>(73,25,096)</u>
Cash Generated from Operations	65,02,858	853,271
Taxes Paid	(2,40,946)	(11,715)
NET CASH FROM OPERATING ACTIVITIES	<u>62,61,912</u>	<u>841,556</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Cash flow from Other financial assets	(1,62,311)	(207,757)
Sale of Fixed Assets	21,40,000	77,38,762
Purchase of Fixed Assets	(97,51,043)	(2,891,220)
Interest Income	2,92,512	(118,063)
NET CASH FROM INVESTING ACTIVITIES	<u>(74,80,842)</u>	<u>4,521,722</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	6,03,216	(1,747,959)
Proceeds from Short Term Borrowings (Net)	50,03,849	(1,056,709)
Interest Paid	(30,03,364)	(3,063,880)
Security Premium	-	1,113,000
NET CASH (USED IN) FINANCING ACTIVITIES	<u>26,03,701</u>	<u>(4,755,548)</u>
Net Increase/Decrease (-) in Cash and Cash Equivalents	13,84,771	607,730
Opening Balance of Cash and Cash Equivalents	17,92,790	1,185,060
Closing Balance of Cash and Cash Equivalents	<u>31,77,562</u>	<u>1,792,790</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: Indore

Date : 30th May 2019

Atul Kumar Sethi

Managing Director

DIN-00245685

Ashok Atulkar

Chief Financial Officer

Place: Pithampur

Akash Sethi

Joint Managing Director

DIN-08176396

Harshita Jindal

Company Secretary

Date : May 30, 2019

Notes to the financial statements as of and for the year ended March 31, 2019**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.

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 recognized 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

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) 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. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

i) 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.

j) 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.

k) 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Notes to the financial statements as of and for the year ended March 31, 2019
2.1 Property, Plant and Equipment

The change in the carrying value of property, plant and equipment for the year ended March 31, 2019 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machineries	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2018	193350	14903735	51349630	3479225	9663932	1718827	3525933	245392	85080024
Additions	0	0	4566751	147898	4937030	21874	77490	0	9751043
Deletions	0	0	0	0	4169383	0	0	0	4169383
Gross Carrying value March 31, 2019	193350	14903735	55916381	3627123	10431579	1740701	3603423	245392	90661684
Accumulated depreciation April 1, 2018	0	10157904	42807068	3246322	6014687	1556004	3310215	245392	67337592
Depreciation for the year	0	454940	1872450	34562	1267815	44154	42319	0	3716240
Accumulated depreciation on deletions	0	0	0	0	3349258	0	0	0	3349258
Accumulated depreciation March 31, 2019	0	10612844	44679518	3280884	3933244	1600158	3352534	245392	67704574
Carrying value as at March 31, 2019	193350	4290891	11236863	346239	6498335	140543	250889	0	22957110
Carrying value as at April 1, 2018	193350	4745831	8542562	232903	3649245	162823	215718	0	17742432

The change in the carrying value of property, plant and equipment for the year ended March 31, 2018 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machineries	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2017	193350	14903735	50418950	3428108	7843856	1672787	3482626	245392	82188804
Additions	0	0	930680	51117	1820076	46040	43307	0	2891220
Deletions	0	0	0	0	0	0	0	0	0
Gross Carrying value March 31, 2018	193350	14903735	51349630	3479225	9663932	1718827	3525933	245392	85080024
Accumulated depreciation April 1, 2017	0	9654691	40714246	3225289	5045561	1498502	3276604	245392	63660285
Depreciation for the year	0	503213	2092822	21033	969126	57502	33611	0	3677307
Accumulated depreciation on deletions	0	0	0	0	0	0	0	0	0
Accumulated depreciation March 31, 2018	0	10157904	42807068	3246322	6014687	1556004	3310215	245392	67337592
Carrying value as at March 31, 2018	193350	4745831	8542562	232903	3649245	162823	215718	0	17742432
Carrying value as at April 1, 2017	193350	5249044	9704704	202819	2798295	174285	206022	0	18528519

2.2 Capital Work in Progress

The change in the carrying value of Capital Work in Progress for the year ended March 31, 2019 were as follow:

Particulars	Capital Work in Progress	Total
Gross Carrying value April 1, 2018	0	0
Additions	0	0
Deletions	0	0
Gross Carrying value March 31, 2019	0	0
Accumulated depreciation April 1, 2018		0
Depreciation for the year		0
Accumulated depreciation on deletions		0
Accumulated depreciation March 31, 2019	0	0
Carrying value as at March 31, 2019	0	0
Carrying value as at April 1, 2018	0	0

The change in the carrying value of Capital Work in Progress for the year ended March 31, 2018 were as follow:

Particulars	Capital Work in Progress	Total
Gross Carrying value April 1, 2017	7738762	7738762
Additions	0	0
Deletions	7738762	7738762
Gross Carrying value March 31, 2018	0	0
Accumulated depreciation April 1, 2017		0
Depreciation for the year	0	0
Accumulated depreciation on deletions		0
Accumulated depreciation March 31, 2018	0	0
Carrying value as at March 31, 2018	0	0
Carrying value as at April 1, 2017	7738762	7738762

2.3 Intangible Assets

The change in the carrying value of Intangible Assets for the year ended March 31, 2019 were as follow:

Particulars	Intangible Asset	Total
Gross Carrying value April 1, 2018	8560814	8560814
Additions	0	0
Deletions	0	0
Gross Carrying value March 31, 2019	8560814	8560814
Accumulated depreciation April 1, 2018	7917966	7917966
Depreciation for the year	47590	47590
Accumulated depreciation on deletions		0
Accumulated depreciation March 31, 2019	7965556	7965556
Carrying value as at March 31, 2019	595258	595258
Carrying value as at April 1, 2018	642848	642848

The change in the carrying value of Intangible Assets for the year ended March 31, 2018 were as follow:

Particulars	Intangible Asset	Total
Gross Carrying value April 1, 2017	8560814	8560814
Additions		0
Deletions		0
Gross Carrying value March 31, 2018	8560814	8560814
Accumulated depreciation April1, 2017	7703386	7703386
Depreciation for the year	214580	214580
Accumulated depreciation on deletions		0
Accumulated depreciation March 31, 2018	7917966	7917966
Carrying value as at March 31, 2018	642848	642848
Carrying value as at April 1, 2017	857428	857428

For and on behalf of the Board of Directors

Atul Kumar Sethi

Managing Director
DIN-00245685

Akash Sethi

Joint Managing Director
DIN-08176396

Ashok Atulkar

Chief Financial Officer

Harshita Jindal

Company Secretary

Notes to the financial statements as of and for the year ended March 31, 2019

(In INR ₹)

Particulars	As at March 31st, 2019	As at March 31st, 2018
3 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
	<u>8,000,000</u>	<u>8,000,000</u>
4 Other financial assets		
(Unsecured, considered good)		
Security and other deposits	17,58,346	15,96,035
	<u>17,58,346</u>	<u>15,96,035</u>
5 Deferred tax assets (Net)		
The movement on the deferred tax account is as follows:		
At the start of the year	13,78,280	16,31,700
Charge to Statement of Profit and Loss	<u>(2,98,090)</u>	<u>(2,53,420)</u>
At the end of year	<u>10,80,190</u>	<u>13,78,280</u>
Component of Deferred tax assets/(liabilities)		
Deferred tax assets in relation to :		
Property, plant and equipment	4,27,590	10,55,130
Provisions	<u>6,52,600</u>	<u>5,76,570</u>
Total	<u>10,80,190</u>	<u>16,31,700</u>
6 Income Tax Assets		
Mat Receivable	1,22,590	1,22,590
Advance Tax	-	2,09,773
	<u>1,22,590</u>	<u>3,32,363</u>
7 Inventories		
Finished goods	59,43,538	64,35,294
Stock-in-process	57,47,256	4,918,996
Raw materials	<u>1,14,06,122</u>	<u>1,11,46,520</u>
	<u>2,30,96,917</u>	<u>2,25,00,810</u>
8 Trade receivables		
(Unsecured, considered good)		
Trade receivables	3,07,05,371	31,545,918
	<u>3,07,05,371</u>	<u>31,545,918</u>
9 Cash and cash Equivalents		
Cash on hand	2,35,382	2,03,548
FDR in Bank	29,42,180	15,89,242
FDRRs 1533678/- kept as margin money deposits against guaranteed	<u>31,77,562</u>	<u>17,92,790</u>
10 Loans		
(Unsecured, considered good)		
Advance to employees	3,34,452	4,55,359
	<u>3,34,452</u>	<u>4,55,359</u>
11 Other Financial Assets		
Accrued Interest on Fixed Deposit with Banks	3,40,597	4,95,410
	<u>3,40,597</u>	<u>4,95,410</u>
12 Other current assets		
(Unsecured, considered good)		
Advance to vendors	9,24,191	8,52,626
Advances recoverable in cash or kind	32,64,035	15,19,359
Advance Tax	83,235	14,041
	<u>42,71,461</u>	<u>23,86,026</u>

Notes to the financial statements as of and for the year ended March 31, 2019

(In INR ₹)

Particulars	As at	As at
	March 31st, 2019	March 31st, 2018
13 Share capital		
Authorised		
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	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
	<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, 2019 No. of shares	As at March 31, 2018 No. of shares
Balance as at the beginning of the year	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>

(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, 2019	Percentage holding as at March 31, 2018
Mr. Atul Kumar Sethi	19.60%	19.60%
705406 (Previous year: 705406) shares of Rs.10 each		
Bio Pace Technology	16.62%	8.21%
598087 (Previous year: 295432) shares of Rs.10 each		
Mathew Samul Kalarickal	11.75%	11.72%
423032 (Previous year: 421876) shares of Rs.10 each		

Particulars	March 31, 2019	March 31, 2018
	Rupees	Rupees
14 Other Equity		
Capital investment subsidy		
Balance as per last Financial Statements	1,500,000	1,500,000
Balance as at the end of the year	<u>1,500,000</u>	<u>1,500,000</u>
Securities Premium		
Balance as per last Financial Statements	57,86,108	46,73,108
Add: Increase during the year	-	1,113,000
Balance as at the end of the year	<u>57,86,108</u>	<u>5,786,108</u>
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per last Financial Statements	96,89,193	89,25,956
Profit/ (Loss) for the year	14,10,572	763,237
Balance at the end of the year	<u>1,10,99,766</u>	<u>9,689,193</u>
	<u>1,83,85,874</u>	<u>16,975,301</u>
15 Borrowings		
Term loan - Secured		
Axis Bank Ltd. (Car)	15,19,048	-
HDFC Bank Ltd. (Car)	4,72,881	-
Bank of India	11,40,000	2,280,000
HDFC Bank Ltd. (Car)	8,71,546	1,120,259
	<u>40,03,475 #</u>	<u>3,400,259</u>

Nature of security:

Secured loans

- 1 Term loans from HDFC Bank Ltd and Axis Bank are 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, 2019

(In INR ₹)

Particulars	As at March 31st, 2019	As at March 31st, 2018
Maturity profile of long term borrowings		
Secured loans		
2019-20	-	13,88,713
2020-21	22,52,708	14,12,776
2021-22	12,14,727	2,99,168
2022-23	4,36,726	2,99,602
2023-24	99,315	-
	<u>40,03,475</u>	<u>34,00,259</u>
16 Other financial liabilities		
Deposit from customers	<u>2,50,000</u>	<u>2,50,000</u>
	<u>2,50,000</u>	<u>2,50,000</u>
17 Borrowings (Current)		
Working capital loan - Secured		
From Bank of India	<u>2,32,84,261</u>	<u>1,82,80,412</u>
	<u>2,32,84,261</u>	<u>1,82,80,412</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.		
18 Trade payables		
Micro, small and medium enterprises	10,77,658	12,32,470
Others	<u>18,59,379</u>	<u>23,80,415</u>
	<u>29,37,037</u>	<u>36,12,885</u>
No amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.		
19 Other financial liabilities		
Current maturities of long term debts*	21,58,585	13,66,772
Other payables	<u>54,18,988</u>	<u>52,48,372</u>
	<u>75,77,573</u>	<u>66,15,144</u>
Nature of security :		
* It includes loan from Bank of India and HDFC Bank Ltd and Axis 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.		
20 Other current liabilities		
Statutory dues	1,58,827	8,50,385
Advance from customers	<u>6,01,795</u>	<u>4,46,718</u>
	<u>7,60,622</u>	<u>12,97,103</u>
21 Provisions - Current		
Provision for Employee benefits	<u>27,79,512</u>	<u>22,44,412</u>
	<u>27,79,512</u>	<u>22,44,412</u>
22 Income Tax Liabilities		
Provision for income tax	<u>4,67,500</u>	<u>1,98,755</u>
	<u>4,67,500</u>	<u>1,98,755</u>
23 Revenue from operations		
Sale of products (Net of Taxes)	<u>7,26,63,988</u>	<u>6,59,88,913</u>
	<u>7,26,63,988</u>	<u>6,59,88,913</u>
24 Other income		
Interest	2,92,512	1,18,063
Profit on sale of fixed assets	13,19,875	-
Other Receipts	<u>54,250</u>	<u>-</u>
	<u>16,66,637</u>	<u>1,18,063</u>
25 Cost of materials consumed		
Inventory at the beginning of the year	1,11,46,520	1,28,64,437
Add: Purchases	3,17,14,096	2,39,64,835
Less: Inventory at the end of the year	<u>1,14,06,122</u>	<u>1,11,46,520</u>
	<u>3,14,54,493</u>	<u>2,56,82,752</u>

Notes to the financial statements as of and for the year ended March 31, 2019

(In INR ₹)

Particulars	As at March 31st, 2019	As at March 31st, 2018
26 Changes in inventories of finished goods and work-in-progress and stock-in-trade		
Inventory at the beginning of the year (a)		
Finished goods	64,35,294	63,95,103
Stock in process	49,18,996	64,56,697
	1,13,54,290	1,28,51,800
Inventory at the end of the year (b)		
Finished goods	59,43,538	64,35,294
Stock in process	57,47,256	49,18,996
	1,16,90,794	1,13,54,290
Increase in inventories (a) - (b)	(3,36,504)	14,97,510
27 Employee benefits expense		
Salaries and wages	1,80,51,735	1,50,09,167
Contribution to provident and other funds	8,90,889	6,42,388
Staff welfare expenses	5,20,413	2,72,973
	1,94,63,037	1,59,24,528
28 Finance costs		
Interest on term loan	3,34,822	4,63,647
Interest-others	24,83,891	22,83,164
Bank charges	1,84,650	3,17,068
	30,03,364	30,63,880
29 Other expenses		
Manufacturing expenses (a)		
Consumables	51,319	81,717
Entry tax	-	1,06,747
Exchange difference (net)	22,949	(21,791)
Freight inward	5,03,530	6,47,446
Insurance	1,29,308	1,44,475
Job Work & Labour Charges	2,97,132	2,01,735
Laboratory Expenses	5,04,550	1,01,050
Power, fuel and water	10,28,443	10,09,056
Repairs to Others	4,27,913	2,03,577
Repairs to buildings	2,75,919	2,32,415
Repairs to plant and equipments	3,50,094	4,56,110
Fees for Technical Services	8,000	5,29,796
	35,99,157	36,92,333
Selling and distribution expenses (b)		
Advertisement expenses	27,208	65,041
Packing materials	4,08,158	4,81,468
Commission	1,57,500	2,50,511
Implantation Charges	6,48,070	13,63,540
Travelling expenses	34,50,415	34,85,788
Freight outward	1,39,727	2,24,443
Selling and business promotion expenses	7,38,002	11,47,285
Tender Expenses	5,169	-
	55,74,249	70,18,075
Establishment Expenses (c)		
Auditor's remuneration	1,60,000	1,50,000
Conveyance	1,80,718	1,92,770
Courier and postage charges	1,29,940	1,46,699
Professional charges	16,44,557	13,74,178
Miscellaneous expenses	2,44,215	1,74,386
Printing and stationery	2,21,857	1,43,632
Rates and taxes	4,28,515	2,15,425
Rent	1,62,500	1,52,000
Telephone and mobile expenses	1,34,762	1,53,410
Vehicle running & Maintenance Expenses	10,36,285	756,753
Bad Debts	-	3,44,770
R & D Expenses	9,37,522	4,27,451
Donation	1,00,000	-
	53,80,871	42,31,474
(a)+(b)+(c)	14,554,278	14,941,882

Notes to the financial statements as of and for the year ended March 31, 2019

(In INR ₹)

Particulars	As at March 31st, 2019	As at March 31st, 2018
30 Taxation		
Income tax recognised in Statement of Profit and Loss		
Current tax	7,19,464	87,880
Deferred tax	2,98,090	2,53,420
Total income tax expenses recognised in the current year	10,17,554	3,41,300
31 Earnings per share		
Profit after tax (a)	14,10,572	7,63,237
Weighted average number of equity shares outstanding (b)	35,99,400	35,99,400
Nominal value of an equity share	10	10
Earnings per share		
Basic [(a) / (b)]	0.39	0.21
Diluted [(a) / (b)]	0.39	0.21
32 Contingent liabilities		
(i) The disputed demand of income tax	-	2,80,000
(ii) Corporate Guarantee	70,00,000	70,00,000
(iii) Bank Guarantee	15,33,678	-
The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary.		
33 Payment to auditors		
For statutory audit	1,30,000	120,000
For tax audit	30,000	30,000

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 Ind -108 "Segment Reporting".

B. Secondary segment

Particulars *	India	Rest of the world	Total
i) Segment revenue	7,07,71,051 (5,61,70,898)	18,92,937 (98,18,015)	7,26,63,988 (6,59,88,913)
ii) Carrying cost of segment assets	9,64,39,853 (8,88,68,271)	- -	9,64,39,853 (8,88,68,271)
iii) Addition to Fixed Assets	97,51,043 (28,91,220)	- -	97,51,043 (28,91,220)

* Previous year's figures are shown under brackets.

35 Related party disclosures

"As per Ind AS-24 the Company's related parties and transactions are disclosed below.

A Subsidiary Company

Shree Coratomic Ltd

B. Key management personnel and relatives of such personnel

(I) Key Management Personnel

Atul Kumar Sethi Managing Director

Akash Sethi Joint Managing Director

Amita Sethi Whole time Director

Vikas Gokhale Whole time Director

Notes to the financial statements as of and for the year ended March 31, 2019

(In INR ₹)

Particulars	As at March 31st, 2019	As at March 31st, 2018
(II) Relatives of Key Management personnel and their enterprises where transactions have taken place		
Details of transactions and closing balances	As at March 31st, 2019	As at March 31st, 2018
Shree Coratomic Ltd		
Sale of Goods	29,05,500	68,58,000
Purchase of Plant & Machinery	37,51,000	-
Closing Balance - Payable/(Receivable)	(36,97,142)	(92,02,057)
Mr. Aul Kumar Sethi		
Director Remuneration	24,00,000	2,400,000
Closing Balance - Payable	15,057	8,98,944
Mrs. Amita Sethi		
Director Remuneration	6,00,000	6,00,000
Mr. Vikas Gokhale		
Director Remuneration	966,000	9,66,000
Commission	-	1,10,800
Mr. Akash Sethi		
Director Remuneration	5,00,000	-

36 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: Indore

Date : 30th May 2019

For and on behalf of Board of Directors

Atul Kumar Sethi

Managing Director
DIN-00245685

Ashok Atulkar
Chief Financial Officer

Place: Pithampur

Akash Sethi

Joint Managing Director
DIN-08176396

Harshita Jindal
Company Secretary

Date : May 30, 2019

Independent Auditors' Report on Consolidated Financial Statements

To the Members of Shree Pacetronix Limited

Report on the audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind As financial statements of **Shree Pacetronix Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind As financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind As financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

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

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

- ◆ Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements / financial information of Shree Coratomic Ltd. subsidiaries, whose financial statements / financial information reflect total assets of Rs.95,28,554 as at 31st March, 2019, total revenues of Rs.1,49,511 and net cash flows amounting to Rs.12,91,229 for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 14,12,378 for the year ended 31st March, 2019, as considered in the consolidated financial statements. These financial statements / financial information have **been audited by other auditors** whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 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 and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2019 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 with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - g. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. 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 derivative 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 its subsidiary company.

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

(CA Ajay Sharma)

Proprietor

Membership Number: 404968

Place: Indore
Date : 30th May 2019

Annexure A to Independent Auditors Report

The Annexure referred to in paragraph 1F under 'Report on Other Legal and Regularity Requirements section of our report of even date to the members of Shree Pacetronix Limited on the consolidated AS financial statements as of and for the year ended March 31, 2019. 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 financial statements of the Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Shree Pacetronix Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries together referred to as "the Group" which are 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 of the company and its subsidiary company, which is incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 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 internal financial controls system over financial reporting of the Holding Company and its subsidiaries which are incorporated in India.

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 and 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, 2019, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(CA Ajay Sharma)

Proprietor

Membership Number: 404968

Place: Indore
Date : 30th May 2019

BALANCE SHEET AS AT MARCH 31ST, 2019

Consolidated Balance Sheet as at March 31st, 2019

(In INR Rs.)

Particulars	Note	As at March 31st, 2019	As at March 31st, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	22,994,906	17,781,540
Capital work-in-progress	2.2	12,516,828	9,880,602
Intangible assets	2.3	995,258	1,042,848
Financial assets			
- Other financial assets	3	2,304,412	2,158,601
Deferred tax assets (Net)	4	1,365,080	1,775,470
Income Tax Assets (Net)	5	495,180	682,323
Total Non current assets		40,671,664	33,321,384
Current assets			
Inventories	6	23,134,931	22,538,824
Financial assets			
- Trade receivables	7	30,509,301	26,689,833
- Cash and cash equivalents	8	4,468,791	7,850,032
- Loans	9	387,352	508,259
- Other financial assets	10	354,097	495,410
Other current assets	11	6,442,271	3,219,979
Total current assets		65,296,743	61,302,337
TOTAL ASSETS		105,968,407	94,623,721
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	35,994,000	35,994,000
Other equity	13	17,433,994	16,021,619
Non Controlling Interest		6,183	6,181
Total Equity		53,434,177	52,021,800
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	14	11,503,475	9,000,259
- Other financial liabilities	15	250,000	250,000
Total Non-current Liabilities		11,753,475	9,250,259
Current liabilities			
Financial liabilities			
- Borrowings	16	23,316,089	18,976,314
- Trade payables	17	3,133,031	3,670,214
- Other financial liabilities	18	10,242,702	6,796,833
Other current liabilities	19	819,291	1,321,734
Provisions	20	2,779,512	2,244,412
Income tax liabilities (net)	21	490,130	342,155
Total Current Liabilities		40,780,755	33,351,662
TOTAL EQUITY AND LIABILITIES		105,968,407	94,623,721
Significant Accounting Policies	1		
The accompanying notes from an Integral part of the to the financial statements	2 to 36		

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: Indore
Date : 30th May 2019

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Place: Pithampur

Harshita Jindal
Company Secretary

Date : May 30, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2019

(In INR Rs.)

Particulars	Note	Year Ended March 31st , 2019	Year Ended March 31st , 2018
Revenue from operations	22	72,799,999	68,030,370
Other income	23	1,680,137	118,063
Total revenue		74,480,136	68,148,433
Expenses			
Cost of materials consumed	24	30,819,493	25,682,752
Purchases of stock in trade		-	9,120
Changes in inventories of finished goods, work in progress and stock-in-trade	25	(336,504)	1,493,844
Employee benefit expense	26	19,594,037	16,192,028
Finance cost	27	3,221,565	3,245,614
Depreciation and amortisation expense	2	3,765,142	4,227,426
Other expense	28	14,874,171	15,399,931
Total expenses		71,937,904	66,250,714
Profit/ (loss) before tax		2,542,232	1,897,719
Tax expense			
Current tax	29	719,464	87,880
Deferred tax	4	410,390	485,960
Profit/ (loss) for the year		1,412,378	1,323,879
Other comprehensive income		-	-
Total comprehensive income for the year		1,412,378	1,323,879
Profit for the year attributable to:			
Equity holders of the Company		1,412,376	1,323,424
Non-controlling interest		2	455
Total comprehensive income for the year attributable to:			
Equity holders of the Company		1,412,376	1,323,424
Non-controlling interest		2	455
Earnings per equity share of face value of 10 each	30		
a) Basic		0.39	0.37
b) Diluted		0.39	0.37
Significant Accounting Policies	1		
The accompanying notes from an Integral part of the to the financial statements	2 to 36		

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: Indore
Date : 30th May 2019

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date : May 30, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

(In INR Rs.)

A. Equity Share Capital

	Note	Amount
As at 1st April 2017		35,99,4000
Changes in Equity Share during the year		-
As at 31st March 2018		35,99,4000
Changes in Equity Share during the year		-
As at 31st March 2019		35,99,4000

B. Other Equity	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other Comprehensive Income	Total
As at 1st April 2017	1,500,000	4,673,108	74,12,087	-	1,35,85,195
Profit for the year	-	-	13,23,423	-	13,23,423
Other Comprehensive income for the year	-	11,13,000	-	-	11,13,000
Total Comprehensive income for the year	-	-	-	-	-
As at 31st March 2018	1,500,000	5,786,108	87,35,510	-	1,60,21,618
Profit for the year	-	-	14,12,376	-	14,12,376
Increase during the year	-	-	-	-	-
Other Comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
As at 31st March 2019	1,500,000	5,786,108	1,01,47,886	-	1,74,33,994

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

(CA Ajay Sharma)
Proprietor
Membership Number: 404968

Place: Indore
Date : 30th May 2019

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date : May 30, 2019

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31ST, 2019

(in ₹)

Particulars	As at March 31st, 2019	As at March 31st, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	2,542,232	1,897,719
Adjusted for:		
Depreciation and Amortisation Expense	3,765,142	4,227,426
Interest Income	(306,012)	118,063
Interest paid	3,221,565	3,245,614
Profit on sale of fixed assets	(1,319,875)	-
	<u>5,360,820</u>	<u>7,591,103</u>
Operating Profit before Working Capital Changes	7,903,052	9,488,821
Adjusted for:		
Trade & other Receivables	(6,779,540)	(2,147,792)
Inventories	(596,107)	3,211,761
Trade & Other Payables	2,941,343	755,870
	<u>(4,434,303)</u>	<u>1,819,839</u>
Cash Generated from Operations	3,468,749	11,308,661
Taxes Paid	(400,178)	(11,715)
NET CASH FROM OPERATING ACTIVITIES	<u>3,068,571</u>	<u>11,296,946</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Cash flow from Other financial assets	(145,811)	(92,341)
Sale of Fixed Assets	2,140,000	-
Purchase of Fixed Assets	(12,387,269)	(5,033,060)
Interest Income	306,012	(118,063)
NET CASH FROM INVESTING ACTIVITIES	<u>(10,087,068)</u>	<u>(5,243,464)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	2,503,216	(1,747,959)
Proceeds from Short Term Borrowings (Net)	4,339,775	(1,124,441)
Interest Paid	(3,205,735)	(3,245,614)
Security Premium	-	1,113,000
NET CASH (USED IN) FINANCING ACTIVITIES	<u>3,637,256</u>	<u>(5,005,013)</u>
Net Increase / Decrease (-) in Cash and Cash Equivalents	(3,381,241)	1,048,468
Opening Balance of Cash and Cash Equivalents	2,250,032	1,201,564
Closing Balance of Cash and Cash Equivalents	<u>(1,131,209)</u>	<u>2,250,032</u>

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: Indore
Date : 30th May 2019

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date : May 30, 2019

Notes to the Consolidated financial statements as of and for the year ended March 31, 2019

1. CONSOLIDATED 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. 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. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- V. 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.
- VI. 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.

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Notes to the financial statements as of and for the year ended March 31, 2019
2.1 Property, Plant and Equipment

Particulars	Gross block (at cost)			Depreciation / Amortisation			Net block			
	As at April 1, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	Up to April 1, 2018	For the year 2018-19	Deductions/ Adjustments	Up to March 31, 2019	As at March 31, 2019	As at March 31, 2018
Lease Hold Land	193,350	-	-	193,350	-	-	-	-	193,350	193,350
Buildings	14,903,735	-	-	14,903,735	10,157,904	454,940	-	10,612,844	4,290,891	4,745,831
Plant & Machineries	51,349,630	4,566,751	-	55,916,381	42,807,068	1,872,450	-	44,679,518	11,236,863	8,542,562
Furniture & Fixture	3,612,768	147,898	-	3,760,666	3,371,999	34,966	-	3,406,965	353,701	240,769
Vehicles	9,663,932	4,937,030	4,169,383	10,431,579	6,014,687	1,267,815	3,349,258	3,933,244	6,498,335	3,649,245
Office Equipments	1,853,217	21,874	-	1,875,091	1,682,732	45,062	-	1,727,794	147,297	170,485
Computers	3,997,526	77,490	-	4,075,016	3,758,228	42,319	-	3,800,547	274,469	239,298
Temporary Shed	245,392	-	-	245,392	245,392	-	-	245,392	-	-
Total	85,819,550	9,751,043	4,169,383	91,401,210	68,038,010	3,717,552	3,349,258	68,406,304	22,994,906	17,781,540

2.2 Capital Work in progress

Particulars	Gross block (at cost)			Depreciation / Amortisation			Net block			
	As at April 1, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	Up to April 1, 2018	For the year 2018-19	Deductions/ Adjustments	Up to March 31, 2019	As at March 31, 2019	As at March 31, 2018
Capital Work In Progress	9,880,602	6,387,226	3,751,000	12,516,828	-	-	-	-	12,516,828	9,880,602
Total	9,880,602	6,387,226	3,751,000	12,516,828	-	-	-	-	12,516,828	9,880,602

2.3 Intangible assets

Particulars	Gross block (at cost)			Depreciation / Amortisation			Net block			
	As at April 1, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	Up to April 1, 2018	For the year 2018-19	Deductions/ Adjustments	Up to March 31, 2019	As at March 31, 2019	As at March 31, 2018
Technology Purchase	16,084,914	-	-	16,084,914	15,280,668	-	-	15,280,668	804,246	804,246
Software	475,900	-	-	475,900	237,298	47,590	-	284,888	191,012	238,602
Total	16,560,814	-	-	16,560,814	15,517,966	47,590	-	15,565,556	995,258	1,042,848

For and on behalf of Board of Directors

Atul Kumar Sethi
Managing Director
DIN-00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Notes to the Consolidated financial statements as of and for the year ended March 31, 2019

(In INR Rs.)

Particulars	As at March 31st, 2019	As at March 31st, 2018
3 Other financial assets		
(Unsecured, considered good)		
Security and other deposits	2,304,412	2,158,601
	<u>2,304,412</u>	<u>2,158,601</u>
4 Deferred tax assets (Net)		
The movement on the deferred tax account is as follows:		
At the start of the year	1,775,470	2,261,430
Charge/(credit) to Statement of Profit and Loss	(410,390)	(485,960)
At the end of year	<u>1,365,080</u>	<u>1,775,470</u>
Component of Deferred tax assets		
Deferred tax assets/(liabilities) in relation to:		
Property, plant and equipment	401,190	1,128,290
Provisions	963,890	647,180
Total	<u>1,365,080</u>	<u>1,775,470</u>
5 Income Tax Assets		
MAT Receivable	495,180	472,550
Advance Tax	-	209,773
	<u>495,180</u>	<u>682,323</u>
6 Inventories		
Finished goods	5,943,538	6,435,294
Stock-in-process	5,747,256	4,918,996
Raw materials	11,406,122	11,146,520
Stock in Trade	38,014	38,014
	<u>23,134,931</u>	<u>22,538,824</u>
7 Trade receivables		
(Unsecured, considered good)		
Trade receivables	30,509,301	26,689,833
	<u>30,509,301</u>	<u>26,689,833</u>
8 Cash and cash Equivalents		
Cash on hand	295,546	660,790
FDR in Bank in margin money deposits against guaranteed	3,656,466	1,589,242
Balance with Bank of India in Lien Account	516,779	5,600,000
	<u>4,468,791</u>	<u>7,850,032</u>
9 Loans		
(Unsecured, considered good)		
Advance to employees	387,352	455,359
Other Loan	-	52,900
	<u>387,352</u>	<u>508,259</u>
10 Other Financial Assets		
Accrued Interest on Fixed Deposit with Bank	354,097	495,410
	<u>354,097</u>	<u>495,410</u>
11 Other current assets		
(Unsecured, considered good)		
Advance to vendors	924,191	852,626
Advances recoverable in cash or kind	5,434,845	1,519,359
Advance Tax	83,235	14,041
Others	-	833,953
	<u>6,442,271</u>	<u>3,219,979</u>

Notes to the Consolidated financial statements as of and for the year ended March 31, 2019

(In INR Rs.)

Particulars	As at March 31st, 2019	As at March 31st, 2018
12 Share capital		
Authorised		
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	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
	<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, 2019 No. of shares	As at March 31, 2018 No. of shares
Balance as at the beginning of the year	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>
(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, 2019	Percentage holding as at March 31, 2018
Mr. Atul Kumar Sethi	19.60%	19.60%
705506 (Previous year: 705406) shares of Rs.10 each		
Bio Pace Technology	16.62%	8.21%
598087 (Previous year: 295432) shares of Rs.10 each		
Mathew Samul Kalarickal	11.75%	11.72%
423032 (Previous year: 421876) shares of Rs.10 each		
13 Other Equity	March 31, 2019 Rupees	March 31, 2018 Rupees
Capital investment subsidy		
Balance as per last Financial Statements	<u>1,500,000</u>	<u>1,500,000</u>
Balance as at the end of the year	<u>1,500,000</u>	<u>1,500,000</u>
Securities Premium		
Balance as per last Financial Statements	57,86,108	46,73,108
Add: Increase during the year	-	1,113,000
Balance as at the end of the year	<u>57,86,108</u>	<u>5,786,108</u>
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per last Financial Statements	87,35,510	74,12,087
Profit/ (Loss) for the year	14,12,376	13,23,424
Balance at the end of the year	<u>1,01,47,886</u>	<u>87,35,511</u>
	<u>1,74,33,994</u>	<u>1,60,21,619</u>
14 Borrowings		
Term loan - Secured		
Axis Bank Ltd. (Car)	1,519,048	-
HDFC Bank Ltd. (Car)	472,881	-
Bank of India	1,140,000	2,280,000
HDFC Bank Ltd. (Car)	871,546	1,120,259
Technology Development Board	3,500,000	5,600,000
Unsecured Loans		
Loan from Directors	4,000,000	-
	<u>11,503,475</u>	<u>9,000,259</u>

Notes to the Consolidated financial statements as of and for the year ended March 31, 2019

(In INR Rs.)

Particulars	As at March 31st, 2019	As at March 31st, 2018
Nature of security:		
Secured loans		
1	Term loans from HDFC Bank Ltd and Axis Bank Ltd. are 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.	
3	Term loan from Technology Development Board is secured by hypothecation of movable assets purchased under the TDB loan present and future. Further secured by pledging of shares held by the Promoters/ Directors and Corporate guarantee of holding Company by M/s Shree Pacetronix Ltd., own corporate guarantee by M/s Shree Coratomic Ltd. and personal guarantee of Promoters/Director including mortgage of personally owned immovable properties.	
Maturity profile of long term borrowings		
Secured loans		
2019-20	-	3,488,713
2020-21	5,052,708	4,212,776
2021-22	5,914,727	999,168
2022-23	4,36,726	2,99,602
2023-24	99,315	-
	<u>1,15,03,475</u>	<u>90,00,259</u>
15 Other financial liabilities		
Deposit from customers	2,50,000	2,50,000
	<u>2,50,000</u>	<u>2,50,000</u>
16 Borrowings (Current)		
Working capital loan - Secured		
From Bank of India	2,32,84,261	1,82,80,412
From ICICI Bank Ltd.	31,828	6,95,902
	<u>2,33,16,089</u>	<u>1,89,76,314</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.		
17 Trade payables		
Micro, small and medium enterprises	1,273,652	1,289,799
Others	1,859,379	2,380,415
	<u>3,133,031</u>	<u>3,670,214</u>
No amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.		
18 Other financial liabilities		
Current maturities of long term debts*	4,258,584	1,366,772
Other payables	5,984,118	5,248,372
Others	-	181,689
	<u>10,242,702</u>	<u>6,796,833</u>
Nature of security:		
* It includes term loan 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.		
19 Other current liabilities		
Statutory dues	217,496	850,385
Advance from customers	601,795	446,718
Other payables	-	24,631
	<u>819,291</u>	<u>1,321,734</u>

Notes to the Consolidated financial statements as of and for the year ended March 31, 2019

(In INR Rs.)

Particulars	As at March 31st, 2019	As at March 31st, 2018
20 Provisions - Current		
Provision for Employee benefits	2,779,512	2,244,412
	2,779,512	2,244,412
21 Income Tax Liabilities		
Provision for income tax	490,130	342,155
	490,130	342,155
22 Revenue from operations		
Sale of products (Net of Taxes)	72,799,999	68,030,370
	72,799,999	68,030,370
23 Other income		
Interest	306,012	118,063
Profit on sale of fixed assets	1,319,875	-
Other Receipts	54,250	-
	1,680,137	118,063
24 Cost of materials consumed		
Inventory at the beginning of the year	11,146,520	12,864,437
Add: Purchases	31,079,096	23,964,835
Less: Inventory at the end of the year	11,406,122	11,146,520
	30,819,493	25,682,752
25 Changes in inventories of finished goods and work-in-progress and stock-in-trade		
Inventory at the beginning of the year (a)		
Finished goods	6,435,294	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
Inventory at the end of the year (b)		
Finished goods	5,943,538	6,435,294
Stock in process	5,747,256	4,918,996
Stock in Trade	38,014	38,014
	11,728,808	11,392,304
Increase in inventories (a) - (b)	(336,504)	1,493,844
26 Employee benefits expense		
Salaries and wages	18,182,735	15,276,667
Contribution to provident and other funds	890,889	642,388
Staff welfare expenses	520,413	272,973
	19,594,037	16,192,028
27 Finance costs		
Interest on term loan	334,822	463,647
Interest-others	2,637,172	2,427,233
Bank charges	249,570	354,733
	3,221,565	3,245,614
28 Other expenses		
Manufacturing expenses (a)		
Consumables	51,319	81,717
Entry tax	-	106,747
Exchange difference (net)	22,949	(21,791)
Freight inward	503,530	647,446
Insurance	129,308	144,475
Job Work & Labour Charges	297,132	201,735
Laboratory Expenses	504,550	101,050
Power, fuel and water	1,028,443	1,009,056
Repairs to Others	427,913	203,577
Repairs to buildings	275,919	232,415
Repairs to plant and equipments	350,094	456,110
Fees for Technical Services	8,000	529,796
	3,599,157	3,692,333

Notes to the Consolidated financial statements as of and for the year ended March 31, 2019

(In INR Rs.)

Particulars	As at March 31st, 2019	As at March 31st, 2018
Selling and distribution expenses (b)		
Advertisement expenses	27,208	65,041
Packing materials	408,158	481,468
Commission	157,500	250,511
Implantation Charges	654,120	1,606,740
Travelling expenses	3,450,415	3,492,858
Freight outward	139,727	224,443
Selling and business promotion expenses	738,002	1,185,285
Tender Expenses	5,169	-
	5,580,299	7,306,345
Establishment Expenses (c)		
Auditor's remuneration	195,000	181,000
Conveyance	186,718	199,990
Courier and postage charges	129,940	146,699
Professional charges	1,801,112	1,445,178
Miscellaneous expenses	275,447	204,123
Printing and stationery	221,857	143,632
Rates and taxes	455,828	236,871
Rent	162,500	152,000
Telephone and mobile expenses	147,941	162,786
Vehicle running & Maintenance Expenses	1,036,285	756,753
Bad Debts	44,564	344,770
R & D Expenses	937,522	427,451
Donation	100,000	-
	5,694,714	4,401,253
(a)+(b)+(c)	14,874,171	15,399,931
29 Taxation		
Income tax recognised in Statement of Profit and Loss		
Current tax	7,19,464	87,880
Deferred tax	4,10,390	,85,960
Total income tax expenses recognised in the current year	11,29,854	5,73,840
30 Earnings per share		
Profit after tax (a)	1,412,378	1,323,423
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)]	0.39	0.37
Diluted [(a) / (b)]	0.39	0.37
31 Contingent liabilities		
(1) Corporate Guarantee	7,000,000	7,000,000
The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary.		
32 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%

Notes to the Consolidated financial statements as of and for the year ended March 31, 2019
(In INR Rs.)

Particulars	As at March 31st, 2019	As at March 31st, 2018	
33 Segment reporting			
A. Primary segment			
As the company's business activity falls within a single primary business segment i.e. "Life Saving Devices" hence there is no primary segments wise information to report as per Ind -108 "Segment Reporting".			
B. Secondary segment			
	India	Rest of the world	Total
i) Segment revenue	7,09,07,062	18,92,937	7,27,99,999
	(5,82,12,355)	(98,18,015)	(6,80,30,370)
ii) Carrying cost of segment assets	10,59,68,407	-	10,59,68,407
	(8,90,23,721)	-	(8,90,23,721)
iii) Addition to Fixed Assets	97,51,043	-	97,51,043
	(50,33,060)	-	(50,33,060)

* Previous year's figures are shown under brackets.

34 Related party disclosures

"As per Ind AS-24 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
Akash Sethi	Managing Director
Amita Sethi	Whole time Director
Vikas Gokhale	Whole time Director
Ganesh Kumar Kopiseti	Additional Director
Seetharamaiah Panchumarthy	Director

(II) Relatives of Key Management personnel and their enterprises where transactions have taken place
Mrs. Yamini Gokhale**C. Enterprises over which any person mentioned in 'B', is able to exercise significant influence.**

Details of transactions and closing balances	As at March 31st, 2019	As at March 31st, 2018
Mr. Aul Kumar Sethi		
Director Remuneration	24,00,000	24,00,000
Closing Balance - Payable	13,491	8,98,944
Loan Taken	15,00,000	-
Mrs. Amita Sethi		
Director Remuneration	6,00,000	6,00,000
Mr. Vikas Gokhale		
Director Remuneration	9,66,000	9,66,000
Commission	-	1,10,800
Mr. Akash Sethi		
Director Remuneration	5,00,000	-
Loan Taken	25,00,000	-

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

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: Indore
Date : 30th May 2019

Atul Kumar Sethi
Managing Director
DIN-00245685

Ashok Atulkar
Chief Financial Officer

Place: Pithampur

Akash Sethi
Joint Managing Director
DIN-08176396

Harshita Jindal
Company Secretary

Date : May 30, 2019

SHREE PACETRONIX LIMITED

Regd. Off.: Plot No. 15, Sector II, Industrial Area

Pithampur - 454 775 Distt: Dhar

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

CIN- L33112MP1988PLC004317

PROXY FORM

Form No. MGT-11

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

CIN : L33112MP1988PLC004317

Name of the Company : Shree Pacetronix Limited

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

Name of the member (s) : _____

Registered address : _____

E-mail ID : _____

Folio No/ Client ID/DP ID : _____

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

Name	:	
Address	:	
E-mail Id	:	
Signataure	:	or failing him/her

Name	:	
Address	:	
E-mail Id	:	
Signataure	:	or failing him/her

Name	:	
Address	:	
E-mail Id	:	
Signataure	:	or failing him/her

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty-First Annual General Meeting of the Company, to be held on Saturday, the 28th day of September, 2019 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:

Resolution No.	Resolution
Ordinary Businesses :	
1.	Adoption of Audited Standalone Financial Statements
2.	Adoption of Audited Consolidated Financial Statements
3.	Appointment of Mrs. Amita Sethi (DIN: 00245722), Whole time Director, liable to retire by rotation.
Special Businesses :	
4.	Re- Appointment of Mr. Atul Kumar Sethi (DIN : 00245685) as a Managing Director of the Company
5.	Re- Appointment of Mrs. Amita Sethi (DIN: 00245722) as a Whole Time Director of the Company

Signed this _____ day of _____ 2019

Signature of shareholder : _____

Affix revenue
Stamp of Rs.1

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. In case of joint holders, the signataure of any one holder will be sufficient, but names of all the joint holders should be stated.
3. Notwithstanding the above the Proxies can vote on such other items which may be tabled at the meeting by the shareholders present.

SHREE PACETRONIX LIMITED

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

ATTENDANCE SLIP

31st ANNUAL GENERAL MEETING ON 28TH SEPTEMBER 2019 AT 11:00 A. M.

Reg. Folio No./Client ID. _____

DP ID : _____

No. of shares : _____

Name and address of Member : _____

Joint Holder 1 : _____

Joint holder 2 : _____

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 31st Annual General meeting of the company at the registered office of the Company on 28th September, 2019.

(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

If undelivered please return to :

Shree Pacetronix Limited

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