

Date: 27<sup>th</sup> July, 2022

To,  
General Manager-(Listing Dept.)  
Department of Corporate Services  
BSE Limited  
P.J. Tower, Dalal Street,  
Mumbai- 400001

Scrip Code - 527005; ISIN - INE847D01010

Subject: Submission of 34<sup>th</sup> Annual Report of the Company for the Financial Year 2021-2022 pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the 34<sup>th</sup> Annual Report for the Financial Year 2021-2022 along with Notice of 34<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 19<sup>th</sup> August, 2022 at 11.30 A.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Further, in compliance with the relevant Circulars issued by the Ministry of Corporate Affairs, relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India, the Company is offering facility of remote e-voting and e-voting facility during the AGM to all the shareholders of the Company in respect of the businesses to be transacted at the 34<sup>th</sup> AGM. For this purpose, the Company has engaged Central Depository Services (India) Ltd. as its Authorised Agency.

Kindly take the same in your records.

Thanking You  
Yours faithfully

For SHREE PACETRONIX LIMITED  
CIN: L33112MP1988PLC004317

For Shree Pacetronix Ltd.

Authorised Signatory

YASH BAGORA  
COMPANY SECRETARY

Enclosure: 34<sup>th</sup> Annual Report for the F.Y. 2021-2022 along with notice of AGM.

Celebrating 30 Years of Cardiac Pacing

CIN : L33112MP1988PLC004317

Factory & Regd. Office : Plot No. 15, Sector-II,  
Pithampur, Dist. DHAR 454 775 (M.P.) INDIA  
Phone. : 07292 - 411105, Fax : 07292-400418  
Email : pacetronix@hotmail.com  
Web Site : www.pacetronix.com

TECHNOLOGY SERVING HUMANITY

Kolkata Address :  
Swastik Apartment, Ground Floor,  
1, Sardar Sankar Road, Tolly Gunj,  
Kolkata - 700 026  
Ph. : (033) 2464 8931 Fax :2465 7753



# SHREE PACETRONIX LIMITED

34<sup>TH</sup>

---

ANNUAL REPORT  
2021-2022

# **34<sup>TH</sup> ANNUAL REPORT 2021-2022**



**Shree Pacetronix 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](mailto:pacetronix@hotmail.com)  
Website: [www.pacetronix.com](http://www.pacetronix.com)

**BOARD OF DIRECTORS****Executive Directors**

Managing Director

Mr. Atul Kumar Sethi

Joint Managing Director

Mr. Akash Sethi

Whole Time/Women Director

Mrs. Amita Sethi (Resigned w.e.f. 28.03.2022)

Whole Time Director

Mr. Vikas Gokhale (Resigned w.e.f. 28.03.2022)

**Non-Executive Directors**

Independent Director

Mr. Sushil Kumar Patni

Independent Director

Mr. Mahesh Purohit (Resigned w.e.f. 06.05.2022)

Independent Director

Mr. Rajesh Kumar Bhale (Resigned w.e.f. 06.05.2022)

Independent Director

Mr. Varun Rawat (Resigned w.e.f. 06.05.2022)

Additional Independent Director

Ms. Manali Tongia (Appointed w.e.f. 24.03.2022)

Additional Independent Director

Ms. Somya Chhabra (Appointed w.e.f. 06.05.2022)

**CHIEF FINANCIAL OFFICER**

Mr. Ashok Atulkar

**COMPANY SECRETARY**

Mr. Yash Bagora (Appointed w.e.f. 24.03.2022)  
Ms. Harshita Jindal (Resigned w.e.f. 26.02.2022)

**CHIEF OPERATING OFFICER**

Mr. Sumit Chakarbarti

**STATUTORY AUDITORS**

S. R. Naredi & Co., Chartered Accountants  
204, Manas Bhawan Extn.,  
11 R.N.T. Marg, Indore (M.P.) - 452001

**BANKERS**

Bank of India  
HDFC Bank Limited  
Axis Bank Limited  
Bank of Baroda

**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: [compliance@ankitonline.com](mailto:compliance@ankitonline.com),  
[investor@ankitonline.com](mailto:investor@ankitonline.com)

**STOCK EXCHANGE***(Where the Company's Securities Listed)*

BSE Limited

## **NOTICE**

**NOTICE** is hereby given that the Thirty-Fourth Annual General Meeting (AGM) of the Members of **Shree Pacetronix Limited** will be held on **Friday, 19<sup>th</sup> August, 2022** at **11:30 A.M. (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") for which purposes the registered office of the Company situated at Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar, Madhya Pradesh, 454775 shall be deemed as the venue for the meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

### **ORDINARY BUSINESSES:**

**1. CONSIDERATION AND ADOPTION OF STANDALONE & CONSOLIDATED AUDITED FINANCIAL STATEMENT**

To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements containing the Balance Sheet as at 31st March, 2022, the Statement of Profit & Loss, Cash Flow Statement and notes thereon of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.

**2. APPOINTMENT OF MR. AKASH SETHI (DIN: 08176396), JOINT MANAGING DIRECTOR, LIABLE TO RETIRE BY ROTATION**

To appoint a Director in place of Mr. Akash Sethi (DIN: 08176396), Joint Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESSES:**

**3. TO ISSUE WARRANTS ON PREFERENTIAL BASIS:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and such others rules and regulations made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the "Act"), the provisions of the Memorandum and Articles of Association of the Company and any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, Ministry of Corporate Affairs, Securities and Exchange Board of India ("SEBI"), including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended or re-enacted from time to time ("SEBI (ICDR) Regulations") Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations") and subject to necessary approvals, permissions, sanctions and consents, if any and as may be required from the Competition Commission of India ("CCI") and any other relevant governmental authorities including from BSE Limited (the "Stock Exchanges") and subject to such other approvals, permissions, sanctions and consents as may be necessary under all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be required) by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot at an appropriate time, in one or more tranches in aggregate and upto 3,50,000/- (Three Lakhs Fifty Thousand) Convertible Warrants ("Convertible Warrants") at a price of Rs 18.19/- per warrant, each convertible into or exchangeable for One (1) equity share of face value of Rs. 10/- each ("the Equity Shares") at a premium of Rs. 8.19/- per share aggregating to Rs. 63,66,500/- (Rupees Sixty Three Lakhs Sixty Six Thousand and Five Hundred only) to a Promoter Group entity (as defined in SEBI (ICDR)

Regulations) ("Proposed Allottee") under Promoter Category on a preferential basis, for cash and in such form and manner and in accordance with the provisions of SEBI (ICDR) Regulations and SEBI Takeover Regulations or other applicable laws and on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval or consent from the Members.

**RESOLVED FURTHER THAT** the "Relevant Date" in accordance with SEBI (ICDR) Regulations would be Friday, 15<sup>th</sup> July, 2022, shall be considered as the Relevant Date for the purpose of abovementioned issue of Convertible Warrants convertible into Equity Shares.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Convertible Warrants shall be subject to following terms:

a. The proposed Convertible Warrants shall be issued and allotted by the Company to Proposed Allottee within a period of Fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the proposed Convertible Warrants is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of Fifteen (15) days from the date receipt of last of such approvals;

b. Each Convertible Warrant is convertible into One (1) Equity Share and the conversion can be exercised by warrant holder(s) at any time during the period of Eighteen (18) months from the date of allotment of Convertible Warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable;

c. The Convertible Warrants proposed to be issued shall be subject to appropriate adjustment, if during the interim period, the Company makes any issue of equity shares by way of capitalization of profits or reserves, upon demerger / realignment, rights issue or undertakes consolidation / sub-division / re-classification of equity shares or such other similar events or circumstances requiring adjustments as permitted under SEBI (ICDR) Regulations and all other applicable regulations from time to time;

d. Convertible Warrant subscription price equivalent to 25% of the issue price will be payable at the time of subscription of Convertible Warrants, as prescribed by the SEBI (ICDR) Regulations, which would be adjusted by the Company and appropriated against the issue price of the Equity Shares. Convertible Warrant exercise price equivalent to the 75% of the issue price of the equity shares shall be payable by the warrant holder(s) at the time of exercising conversion of Convertible Warrants;

e. The warrant holder(s) shall be entitled to exercise the option of exercising any or all of the Convertible Warrants in one or more tranches by way of a written notice which shall be given to the Company, specifying the number of Convertible Warrants proposed to exercise along with the aggregate amount payable thereon, prior to or at the time of conversion. The Company shall accordingly, without any further approval from the Members of the Company, issue and allot the corresponding number of Equity Shares and perform such actions as required to credit the Equity Shares to the depository account and entering the name of allottee in the records of the Company as the registered owner of such Equity Shares;

f. The Equity Shares to be so allotted on exercise of Convertible Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing equity shares of the Company;

g. In the event the warrant holder(s) does not exercise the Convertible Warrants within Eighteen (18) months from the date of allotment of the Convertible Warrants, then such Convertible Warrants shall lapse and the amount paid shall stand forfeited by the Company;

h. The Convertible Warrants issued and allotted will be transferable within the Promoter Group subject to compliance of applicable provisions and subject to such other approvals as may be necessary from time to time;

i. The Equity Shares arising from the exercise of the Convertible Warrants will be listed on Stock Exchanges where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be and shall inter alia be governed by the regulations and guidelines issued by SEBI or any other statutory authority;



j. The Convertible Warrants and the Equity Shares being allotted pursuant to exercise of such Convertible Warrants shall be subject to a lock-in for such period as specified under applicable provisions of SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option by the warrant holder(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, including size of the preferential issue, the number of equity shares to be allotted, finalizing the terms of agreement(s) and other related document(s), if any, to be executed including amendments thereto, provide any clarifications related to offer, issue and allotment of Convertible Warrants and Equity Shares, listing of Equity Shares on Stock Exchanges and authorise to preparation, execution and entering into arrangement / agreements, offer letter, letter of allotment, all writings, instruments and such other documents (including documents in connection with appointment of agencies, intermediaries and advisors), utilisation of proceeds of issue and further to authorise all such persons as may be necessary, in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and the decision of the Board shall be final and conclusive.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) or authorised signatory/ies of the Company and generally to do all such acts, deeds and things as may be required in connection with the aforesaid resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint/engage any registrar, depositories, professionals, advisors, bankers, consultants and advocates and to finalise their fees/charges and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and further authorised to make requisite filing with concerned regulatory/government authorities / depository(ies), Stock Exchanges and/or any other regulatory authorities to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this connection.

**RESOLVED FURTHER THAT** all action(s) taken by the Board or Committee(s) thereof, any Director(s) or Officer(s) or any other authorized signatory/ies of the Company in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

#### **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, with or without modification(s), the following resolution, **as Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 196, 197 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, 2022 as a Managing Director of the Company for a further period of three (3) years commencing from 01st December, 2022 to 30th November 2025, 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 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. TO INCREASE IN REMUNERATION OF MR. AKASH SETHI, JOINT MANAGING DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 198 & 203 read with the provisions of Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, the approval of the members of the Company be and are hereby granted for increase in remuneration of Mr. Akash Sethi (DIN- 08176396), Joint Managing Director of the Company from Rs. 1,00,000/-(One Lacs only) per month to Rs.2,00,000/-(Two Lacs only) per month w.e.f 05<sup>th</sup> May, 2022 on the terms and conditions as detailed in the explanatory statement attached hereto.

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to Mr. Akash Sethi (DIN: 08176396) shall not be in excess with the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

**RESOLVED FURTHER THAT** Mr. Atul Kumar Sethi (DIN- 00245685) and Mr. Akash Sethi (DIN: 08176396) Directors be and are hereby jointly and/or severally authorized to do all the needful acts, deeds, matters and things to give effect to this resolution including filing of forms with ROC."

**6. APPOINTMENT OF MS. MANALI TONGIA (DIN: 09542172) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149,150, 152 and all other applicable provisions, if any, of the Companies Act,2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and Board, consent of the members be and is hereby given to the appointment of **Ms. Manali Tongia (DIN: 09542172)** who was appointed as an Additional Independent Director by the Board of Directors with effect from 24th March, 2022 and holds office upto the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 24th March, 2022 upto 23th March, 2027 and she shall not be liable to retire by rotation".

**7. APPOINTMENT OF MS. SOUMYA CHABBRA (DIN: 09597296) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149,150, 152 and all other applicable provisions, if any, of the Companies Act,2013 ("Act") and the Companies (Appointment and Qualification of Directors)



Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013, applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, and pursuant to the recommendation of Nomination & Remuneration Committee and Board, consent of the members be and is hereby given to the appointment of **Ms. Soumya Chhabra (DIN: 09597296)** who was appointed as an Additional Director by the Board of Directors with effect from 06th May, 2022 and holds office upto the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 06th May, 2022 upto 05th May, 2027 and she shall not be liable to retire by rotation".

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

**PLACE:** Pithampur

**DATE:** 21/07/2022

---

**Yash Bagora  
Company Secretary**

**Registered Office:**

Plot No. 15, Sector-II,  
Industrial Area, Pithampur,  
Dhar, M.P. - 454775

## **NOTES:**

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/ 2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 followed by SEBI circular no. SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated 13th May, 2022 (collectively "SEBI Circulars"), have further allowed the Companies to conduct their Annual General Meeting (AGM), through Video Conferencing (VC) or any Other Audio Visual Means (OAVM), subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made there under, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is convening its 34<sup>th</sup> AGM through VC/OAVM, without the physical presence of the Members at a common venue. The Company has availed the facility of Central Depository Services (India) Limited [CDSL] for convening the 34<sup>th</sup> AGM through VC/OAVM, a detailed process in which the members can attend the AGM through VC/OAVM has been enumerated in Note number 30 of this Notice.
2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 (the Act).
3. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be

deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the route map is not annexed in this Notice.

4. The MCA General Circular No. 20/2020 dated May 5, 2020, MCA General Circular No. 02/2021 dated January 13, 2021 and General Circular No. 2/2022 dated May 05, 2022 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated 13th May, 2022 have granted relaxations to the companies in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31<sup>st</sup> March, 2022 pursuant to Section 136 of the Act and Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent **only in electronic mode**, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent or Depository Participant/ Depository as on the cut-off date i.e. Friday, 22<sup>nd</sup> July, 2022.

Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with Registrar and Share Transfer Agent by following due procedure.

5. For Members who have not registered their e-mail address and those members who have become the members of the Company after Friday 22<sup>th</sup> July, 2022 being the cut-off date for sending soft copy of the Notice of 34<sup>th</sup> AGM and Annual Report for the financial year 2021-2022, in Portable Document Format (PDF), will also be available on the Company's website [www.pacetronix.com](http://www.pacetronix.com), website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and on website of stock exchanges viz. [www.bseindia.com](http://www.bseindia.com).
6. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since the 34<sup>th</sup> AGM of the Company will be convened through VC/ OAVM, where there will be no physical attendance of members, the requirement of appointment of proxies pursuant to the provisions of Section 105 of the Act has been dispensed. Accordingly, attendance slip and proxy form will not be annexed to this Notice.
7. Pursuant to the provisions of Sections 112 and 113 of the Act, body corporate/institutional members can authorize their representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Provided a certified copy (PDF) of the Board Resolution/authorization letter authorizing such representative to attend the AGM of the Company through VC/ OAVM on its behalf and to vote through remote e-voting shall be sent to the Scrutinizer through the registered email address of the member(s) at [shraddhajain2204@gmail.com](mailto:shraddhajain2204@gmail.com) with a copy marked to the Company at [investors.spl@gmail.com](mailto:investors.spl@gmail.com).
8. Pursuant to provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Book of the Company will remain closed during the period from Saturday, 13<sup>rd</sup> Day of August, 2022 to Friday, 19<sup>th</sup> Day of August, 2022 (both days inclusive) for the purpose of 34<sup>th</sup> Annual General Meeting.
9. M/s. S. R. Naredi & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 33rd Annual General Meeting held on 29 September, 2021 to hold office till the conclusion of the 38th Annual General Meeting to be held in the calendar year 2026. Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7 May, 2018 amending section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.
10. **Dematerialisation of physical shares:** On and from April 01, 2019, requests for effecting transfer of securities is not processed unless the securities are held in the dematerialised form. In addition to that, as per the recent amendments to SEBI - LODR Regulations effective from January 24, 2022 and SEBI's Circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, it has been

mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for

- (a) issue of duplicate securities certificate;
- (b) claim from Unclaimed Suspense Account;
- (c) Renewal/ Exchange of securities certificate;
- (d) Endorsement;
- (e) Sub-division/ Splitting of securities certificate;
- (f) Consolidation of securities certificates/folios;
- (g) Transmission, and
- (h) Transposition.

Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI. In accordance with the said Circular, our RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/ claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities.

- 11. Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are advised to consolidate their holdings in single Demat account/ Folio. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 12. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company / RTA:

Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3.

In case of shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled.

The forms mentioned above are available on the website of the Company as well as on the website of RTA.

- 13. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3rd November, 2021, has made it mandatory for all holders holding shares in physical form to furnish the following documents / details to the RTA
  - a) PAN
  - b) Contact details, Postal address with PIN, Mobile number, E-mail address
  - c) Bank account details (bank name and branch, bank account number, IFS code)
  - d) Specimen signature

For furnishing the above-mentioned details, shareholder must submit Form ISR-1 and/or ISR-2 in hard copy form to the company/ RTA. The forms are available on the website of the company as well as on the website of RTA.

- 14. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
- 15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number,

- MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA.
16. For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id [investors.spl@gmail.com](mailto:investors.spl@gmail.com), at least 7 days before the date of the AGM, mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably.
  17. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Item Nos. 3,4,5,6 & 7 are annexed and forms part of the Notice.
  18. 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 the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. The relevant documents, if any, referred to in the Notice of 34<sup>th</sup> AGM and the Annual Report will also be available for inspection electronically on request by a member of the Company up to the date of the 34<sup>th</sup> AGM of the Company. Members seeking to inspect such documents can send an email to [investors.spl@gmail.com](mailto:investors.spl@gmail.com).
  19. Any person, who acquires shares of the Company and become member of the Company after mailing of the notice and holding shares as on the cut-off date i.e. Friday, 12<sup>th</sup> August, 2022, may obtain the login ID and password by sending a request at [investor@ankitonline.com](mailto:investor@ankitonline.com).
  20. Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 60 Pardeshipura, Electronic Complex, Indore (M.P.).
  21. The Company has designated an exclusive e-mail ID i.e. [investors.spl@gmail.com](mailto:investors.spl@gmail.com) to enable the investors to register their complaints / send correspondence, if any for the purpose of AGM.
  22. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) using the login credentials.
  23. The Company has appointed Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS-39488; CP No. 14717) to act as the scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
  24. The voting rights of Shareholders shall be in proportion of shares held by them to the total paid up equity shares of the company as on Friday 12<sup>th</sup> August, 2022, being the cut-off date.
  25. The Chairman shall at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.
  26. A person who has acquired the shares and has become a member of the Company after dispatch of notice of AGM and prior to the Cut-off date i.e. Friday 12<sup>th</sup> August, 2022, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of AGM by following the procedure mentioned in this Notice.
  27. The procedure for joining the AGM through VC/OAVM is mentioned in this Notice.
  28. Details as required in terms of Regulation 36 of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) in respect of the Director seeking appointment/re-appointment at the AGM, forms integral part of the Notice.
  29. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations and relevant MCA Circulars, the facility for remote e-voting and e-voting in respect of the businesses to be transacted at the AGM is being provided by the Company through Central Depository Services (India) Limited ("CDSL").

Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting and e-voting during the AGM.

### **30. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER**

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) The voting period begins on Tuesday 16<sup>th</sup> August 2022 from 9:00 AM and ends on Thursday 18<sup>th</sup> August 2022 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12<sup>th</sup> August 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option</p>



	<p>for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLoginThe">https://evoting.cdslindia.com/Evoting/EvotingLoginThe</a> system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b> Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
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"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <SHREE PACETRONIX LIMITED> on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors.spl@gmail.com](mailto:investors.spl@gmail.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**31. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
  3. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
  4. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
  5. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e., [investors.spl@gmail.com](mailto:investors.spl@gmail.com)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e., [investors.spl@gmail.com](mailto:investors.spl@gmail.com) ). These queries will be replied to by the company suitably by email.
  9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  10. Only those shareholders, who are present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Annual General Meeting.
  11. If any Votes are cast by the shareholders through the e-voting available during the Annual General Meeting and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- 32. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**
- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company Email ID.:** [investors.spl@gmail.com](mailto:investors.spl@gmail.com) /RTA email id. [investor@ankitonline.com](mailto:investor@ankitonline.com)
  - ii. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
  - iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**33. DECLARATION OF RESULTS:**

- A. The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.
- B. Based on the scrutinizer's report, the Company will submit within 2 (two) working hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
- C. The results declared along with the scrutinizer's report, will be hosted on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com), immediately after the declaration of the result by the Chairperson or a person authorized by him in writing and communicated to the Stock Exchanges.
- D. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 19<sup>th</sup> August 2022 subject to receipt of the requisite number of votes in favour of the Resolutions.

**34.** If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

**35.** All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No.3:**

The Company currently operates as manufacturers, producers, processors, importers, exporters, buyers, sellers and dealers in cardiac pace makers, medical products such as implantable cardiac pacemakers, stents HB set valves, cochlear Implants, Cpap Machines, Other Pharmaceutical Products, medicinal equipments, surgical instruments, contraceptives, I. V. sets, scalp vein sets, perfumes, cosmetics, patent, medicines, artificial eyes, eyes, hospital requisits, vaccines, biological proprietary medicines, jigs, dies, and other electronic components, substances, things used in any such business as aforesaid etc.

The Company is on a growth trajectory and a fresh investment in the Company will further help in evolution and expansion of its business activities. The equity infusion will also strengthen the Company's balance sheet and reduce finance cost for the Company. In order to achieve the above objective and strengthen its financial position, various measures are required to be taken to enhance financial resources, including the long-term working capital. The Board has explored various options and proposed to raise fund by way of issue of Convertible warrants on preferential basis.

The Board of Directors of the Company at their meeting held on Thursday, 21<sup>st</sup> July, 2022 had approved the issue of Convertible Warrants and accordingly proposes to issue and allot in aggregate and upto 3,50,000/- (Three Lakhs Fifty Thousands) Convertible Warrants ("Convertible Warrants") each convertible into or exchangeable for One (1) equity share of face value of Rs. 10/- each ("the Equity Shares") at a price (including the warrant subscription price and the warrant exercise price) of Rs. 18.19/- each aggregating to Rs. 63,66,500/- (Rupees Sixty Three Lakh Sixty Six Thousand Five Hundred only) to a Promoter and Promoter Group as defined in SEBI (ICDR) Regulations ("Proposed Allottee") under Promoter Category on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations. Each Convertible Warrant is convertible into One (1) Equity Share and the conversion can be exercised at any time during the period of Eighteen (18) months from the date of allotment of Convertible Warrants, as the case may be, on such other terms and conditions as applicable, entitling the Proposed Allottee to subscribe to and be allotted the Convertible Warrants convertible into Equity Shares of the Company.

**Necessary information or details as required in respect of the proposed issue of Convertible Warrants in terms of applicable provisions of the Act read with related Rules thereto and SEBI (ICDR) Regulations are as under:**

**1. The objects of the preferential issue:**

The Company shall utilise the proceeds from the preferential issue of Convertible Warrants to fund its main business activities.

**2. Number of shares and Pricing of Preferential issue:**

It is proposed to issue and allot in aggregate and upto 3,50,000/- (Three Lakhs Fifty Thousands) Convertible Warrants at a price of Rs. 18.19/- per warrant, each convertible into or exchangeable for One (1) Equity Share of face value of Rs. 10/- at a premium of Rs. 8.19/- per share aggregating to Rs. 63,66,500/- to Proposed Allottee.

**3. Basis on which the price has been arrived at:**

The equity shares of Company are listed on Stock Exchanges viz, BSE Limited and are In-frequently traded in accordance with SEBI (ICDR) Regulations. For the purpose of computation of the price for each warrant convertible into per equity share will be determined by the issuer shall take into account the valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies:

Provided that the issuer shall submit a certificate stating that the issuer is in compliance of this regulation, obtained from an independent registered valuer to the stock exchange where the equity shares of the issuer are listed.

**4. Relevant Date:**

The "Relevant Date" in accordance with SEBI (ICDR) Regulations would be Friday, 15<sup>th</sup> July, 2022, 30 days prior to the date of this AGM, shall be considered as the Relevant Date for the purpose of above mentioned issue of Convertible Warrants.

**5. The shareholding pattern of the Company before the proposed issue and after the proposed conversion of Convertible Warrants as follows:**

S. No.	Category	Pre-Issue Shareholding		Post Issue Shareholding (Post conversion of Convertible Warrants)	
		No. of Equity Shares	%	No. of Equity Shares	%
<b>A</b>	<b>Promoters and Promoters Group Holding</b>				
1	Indian Promoters / Promoter Group :				
	Individuals / HUF	8,72,756	24.25%	12,22,756	30.97%
	Bodies Corporate	-	-	-	-
	<b>Sub Total</b>	<b>8,72,756</b>	<b>24.25%</b>	<b>12,22,756</b>	<b>30.97%</b>
2	Foreign Promoters / Promoter Group :	-	-	-	-
	<b>Sub Total (A)</b>	<b>8,72,756</b>	<b>24.25%</b>	<b>12,22,756</b>	<b>30.97%</b>
<b>B1</b>	<b>Non Promoters' Holding:</b>				
	<b>Institutions:</b>				

	Mutual Funds	-	-	-	-
	Venture Capital Fund	-	-	-	-
	Alternate Investment Funds	-	-	-	-
	Foreign Portfolio Investor(Corporate)	-	-	-	-
	Financial Institutions/Banks	-	-	-	-
	Insurance Companies	-	-	-	-
	<b>Sub Total (B1)</b>	-	-	-	-
<b>B2</b>	<b>Others :</b>				
	Individuals	15,65,159	43.48%	15,65,159	39.63%
	Bodies Corporate	4,28,567	11.91%	4,28,567	10.85%
	Non-Resident Indians(Repatriable)	101	Negligible	101	Negligible
	Non-Resident Indians (Non-Repatriable)	712445	19.80	712445	18.04%
	Clearing Member	104	Negligible	104	Negligible
	Directors and relatives	-	-	-	-
	Trust	-	-	-	-
	NBFC	-	-	-	-
	Foreign National	9,919	0.28%	9,919	0.25%
	Hindu Undivided Family	10,349	0.29%	10,349	0.26%
	Foreign Portfolio Investor (Individual)	-	-	-	-
	<b>Sub Total (B2)</b>	<b>27,26,644</b>	<b>75.75%</b>	<b>27,26,644</b>	<b>69.04%</b>
	<b>Grand Total (A+B1+B2)</b>	<b>35,99,400</b>	<b>100%</b>	<b>39,49,400</b>	<b>100%</b>

**Notes:**

- The pre-issue shareholding pattern is as on 30<sup>th</sup> June, 2022.
- In the event any of the ESOP's are exercised or further issue of shares by the Company between the date of this notice and the date of allotment of equity shares on conversion of warrants, the shareholding pattern shall stand modified accordingly; and
- The shareholding as shown in post conversion of Convertible Warrants is calculated assuming full conversion of Convertible Warrants into the Equity Shares of the Company.



**6. Proposal / Intention of Promoters, Directors or Key Managerial Personnel(s) to subscribe the offer:**

Following Promoter and Promoter Group, is intending to participate / subscribe to the proposed issue and no other Director(s) or Key Managerial Personnel(s) are subscribing to this offer.

S. No.	Name of Promoter and Promoter Group
1.	Mr. Akash Sethi (Joint Managing Director)

**7. The proposed time within which the issue or allotment shall be completed:**

As required under the SEBI (ICDR) Regulations, Convertible Warrants shall be issued and allotted by the Company within a period of Fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the said Convertible Warrants is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of Fifteen (15) days from the date receipt of last of such approvals.

**8. Change in control, if any, in the Company that would occur consequent to the preferential offer:**

There shall be no change in the management or control of the Company pursuant to the aforesaid issue and allotment of Convertible Warrants and including the conversion thereof into Equity Shares of the Company.

**9. No. of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

During the period from 01<sup>st</sup> April, 2021 till date of notice of this AGM, the Company has not made any preferential allotments.

**10. Valuation for consideration other than cash:** Not applicable

**11. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:** Not applicable.

**12. Lock-in period:** The Convertible Warrants and the Equity Shares being allotted pursuant to exercise of such Convertible Warrants shall be subject to a lock-in for such period as specified under applicable provisions of SEBI (ICDR) Regulations.

**13. Listing:**

The Company will make an application to the Stock Exchanges at which the existing shares are already listed, for listing of the equity shares being issued on conversion of Convertible Warrants. Such Equity Shares, once allotted, shall rank paripassu with the existing equity shares of the Company in all respects, including dividend.

**14. Practicing Company Secretary Certificate:**

The Certificate being issued by M/s. Shraddha Jain, Practicing Company Secretary, certifying that the preferential issue is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations, will be placed before the Members at the AGM and will be kept open for inspection at the Registered Office of the Company between 11:00 AM and 1:00 PM on all working days between Monday to Friday of every week, upto the date of this AGM.

**15. Other Disclosures / Undertakings:**

- i. It is hereby confirmed that neither the Company nor its Directors and to the Company's Knowledge any of its Promoters is a wilful defaulter or a fraudulent borrower;
- ii. The Proposed Allottee has not sold any equity shares during the six months preceding the Relevant Date;
- iii. Undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so;
- iv. Undertaking that if the amount payable on accounts of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees

**16. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allowed and/or who ultimately control the proposed allottees:**

Name & Address of the Proposed Allottee	Category	Name of the natural persons who are the ultimate beneficial owners	Pre-Issue Holding		No. of Warrants to be issued	No. of equity Shareholding post exercise of Warrants	
			No. of equity shares	% of Holding		No. of equity shares	% of Holding
Mr. Akash Sethi R/o 1, Moon Palace Colony Near Dussehra Maidan, Sudama Nagar Indore, Madhya Pradesh 452009	Promoter	-	12,699	0.35%	3,50,000	3,62,699	9.18%

**Notes:**

- The pre-issue shareholding pattern is as on 30th, June, 2022;
- The shareholding post exercise of warrants as shown above is calculated assuming full conversion of Convertible Warrants into the Equity Shares of the Company;
- For detail holding of Promoter / Promoter Group, please refer to shareholding pattern provided herein above.

*The approval of the Members by way of Special Resolution is required in term of the applicable provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI (ICDR) Regulations and accordingly the approval of the Members of the Company is being sought.*

*The Board of Directors of the Company believe that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out Item No. 3 in the accompanying notice for your approval.*

*None of the Directors or Key Managerial Personnel(s) of the Company or their relatives, other than Mr. Atul Kumar Sethi, Managing Director and Mr. Akash Sethi, Joint Managing Director are concerned or interested financially or otherwise in the resolution except to the extent of their shareholding in the Company.*

**ITEM NO.4:**

Mr. Atul Kumar Sethi, aged about 60 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, 2022 upon completion of 3 years of his appointment as Managing Director.

Mr. Atul Kumar Sethi is having more than 23 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 Thursday, 21<sup>st</sup> July 2022 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, 2022 to 30th November 2025.

The disclosure under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided as a part of this Notice.

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, 2022 to 30th November 2025.
- b. **Nature of Duties:** As outlined in Section 166 of the Companies Act, 2013.
- c. **Basic Salary:** Rs. 2,30,000/- (Rupees Two Lakhs and Thirty Thousand 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 11<sup>th</sup> 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, 2022:

Particulars	Rs. in Lakhs	
	Standalone	Consolidated
Gross Turnover & Other Income	909.31	930.27
Net profit as per Statement of Profit & Loss (After Tax)	65.21	78.08
Net Worth	639.91	626.45

- v. **Foreign investments or collaborators, if any:** Not Applicable. However the company is having NRI & Overseas Body Corporate shareholding of 7,12,546 shares i.e. 19.80%

## II. Information about the appointee:

- Background details:** Refer Explanatory Statement of Item No. 4.
- Past remuneration:** Rs. 2,30,000/- (Rupees Two Lakhs and Thirty Thousand only) per month.
- Recognition or awards:** Nil.
- Job Profile and his suitability:** Mr. Atul Kumar Sethi is having more than 23 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.
- Remuneration proposed:** Refer Explanatory Statement of Item No. 6.
- 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.
- 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 (Resigned w.e.f. 28<sup>th</sup> March, 2022) 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:

- Inadequate Profits:** During the Financial Year, the Company has registered a Profit of Rs. 65.21 Lakhs during the year ended 31st, March, 2022 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.
- Reasons of loss or inadequate profits:** Company has registered a profit of Rs. 65.21 Lakhs during the year ended 31st, March, 2022. 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.
- 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, 2022".

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 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:**

Mr. Akash Sethi is having more than 7 years of experience in industries and is acquainted with thorough knowledge of business and technicality of medical devices. He holds a Degree of Master of Science under the Department of Electrical and Computer Engineering from Carnegie Mellon University, USA by qualification.

Mr. Akash Sethi is Joint Managing Director of the company. He is associated with the Company from 2018.

Mr. Akash Sethi, Joint Managing Directors have proved to be an invaluable asset for the company. Considering his sincerity, commitment, Hard work, devotion and concern about the company and its growth, the board feels it absolutely necessary to Increase the remuneration from Rs. 1,00,000/- (One Lacs only) per month to Rs. 2,00,000/- (Two lacs only) per Month w.e.f 05<sup>th</sup> May, 2022.

The board recommends to pass special resolutions as set out in item no. 5 of the notice.

Mr. Akash Sethi is considered as financially interested in the resolutions to the extent of the remuneration as may be paid to him. Further provided that Mr. Atul Kumar Sethi, (Managing Director) being relative of above director may also be deemed as concerned or interested financially or otherwise in the resolutions. Except that none of the other Directors or key managerial personnel (KMP) or their relatives are concerned or interested in the resolution.

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

- a. **Basic Salary:** Rs. 2,00,000/- per month. He shall be entitled for annual increment and variable pay as per growth and progress of the Company, which may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.
- b. **Perquisites and allowances:** Following as per rules of the Company:
  - vi. Leave Travel Allowance
  - vii. House Rent Allowances
  - viii. Medical Allowances
  - ix. 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.
  - x. Provision for telephone and internet may be provided at residence and personal calls will be billed to him.

- c. **Provident Fund:** The Company will make suitable contribution towards Provident Fund, as per the rules of the Company.
- d. **Gratuity:** As per rules of the Company.
- e. **Leave encashment:** Leaves will be provided as per rules of the Company including encashment of unavailed leave at the end of the tenure.

**Other Benefits:** Reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business will be provided.

#### **ITEM NO. 6 & 7:**

**Brief profile of proposed appointees:** Ms. Manali Tongia, aged about 33 years, has done masters of Business Administration in Finance from ICAI University Mumbai.

Ms. Somya Chhabra, aged about 22 years has a bachelor's degree in Commerce.

Based on the recommendation of the Nomination And Remuneration Committee, the Board of Directors of the company has appointed Ms. Manali Tongia and Ms. Somya Chhabra (proposed appointees) as Additional Directors (Independent) of the Company subject to consent by the members of the Company at the ensuing Annual General Meeting ("AGM"). The company has also received declarations from both proposed appointees confirming that they meet the criteria of Independence as prescribed under the act and Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The company has also received consents in writing from both of the proposed appointees to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) rules, 2014 and intimation in Form DIR-8 in terms of companies (appointment and qualifications of directors) rules, 2014, to the effect that they are not disqualified under sub- section (2) of section 164 of the companies act, 2013.

In the opinion of the board, both of the proposed appointees fulfils the conditions for their appointment as Independent Director as specified in the act and the listing regulations and they are Independent of the management. Both proposed appointees are not related to any other director and key managerial personnel of the company. None of the directors, key managerial personnel and their relatives, except proposed appointees and their relatives, are in any way, concerned or interested in the said resolution. The board recommends to pass ordinary resolution as set out in item no. 6 and 7 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:

<b>Name of Director</b>	<b>MR. ATUL KUMAR SETHI</b>	<b>MS. MANALI TONGIA</b>	<b>MS. SOMYA CHHABRA</b>
<b>DIN</b>	00245685	09542172	09597296
<b>Date of Birth</b>	17/ 04/ 1962	20/10/ 1988	07/10/1999
<b>Date of Appointment</b>	11/ 01/ 1988	24/03/2022	06/05/2022
<b>Qualification</b>	MBA (Marketing)	Masters of Business Administration in Finance	Bachelor's in Commerce
<b>Expertise / Experience in specific functional areas</b>	More than 23 Years of experience in industries and thorough knowledge of business of manufacturing and selling of medical devices.	Nil	Nil



<b>Category of Directorship</b>	<b>Executive Promoter Director</b>	<b>Non Executive Independent Director</b>	<b>Non Executive Independent Director</b>
<b>Relationships with Other Directors, Manager and other Key Managerial Personnel of the Company</b>	Mr. Atul Kumar Sethi is spouse of Mrs. Amita Sethi(Resigned w.e.f. 28 <sup>th</sup> March, 2022) and father of Mr. Akash Sethi.	NA	NA
<b>No. &amp; % of Equity Shares held</b>	7,05,506 (19.60%)	Nil	Nil
<b>List of outside Company directorship held</b>	Shree Coratomic Limited	Nil	Nil
<b>Chairman / Member of the Committees of the Board of Directors of the Company</b>	Member of Stakeholder Relationship Committee of the Company	Member of Audit Committee, Nomination and Remuneration committee and Stake holders Relationship Committee of the company w.e.f. 06.05.2022	Member of Audit Committee and Nomination and Remuneration committee of the company w.e.f. 06.05.2022
<b>Chairman / Member of the Committees of the Board Directors of other Companies in which he is director</b>	Nil	Nil	Nil

**PLACE:** Pithampur  
**DATE:** 21/07/2022

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

---

**Yash Bagora**  
 Company Secretary

**Registered Office:**  
 Plot No. 15, Sector-II,  
 Industrial Area, Pithampur,  
 Dhar, M.P. - 454775

## BOARD'S REPORT

To  
The Members,  
**Shree Pacetronix Limited,**  
**Pithampur, District Dhar, M.P., 454775**

Your Directors have immense pleasure in presenting Thirty-Fourth Board's Report of **Shree Pacetronix Limited**, together with the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2022.

### 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 2021- 2022	Year ended 2020- 2021	Year ended 2021- 2022	Year ended 2020- 2021
Revenue from operations	9,02,60,423	7,55,95,238	9,23,05,622	7,55,95,238
Other Income	6,70,681	4,80,682	7,21,417	5,43,378
Total Expenses [excluding interest & depreciation]	7,44,27,641	6,46,74,642	7,46,80,818	6,64,06,980
<b>Profit before Interest, Depreciation &amp; Tax</b>	<b>1,65,03,463</b>	<b>1,14,01,278</b>	<b>1,83,46,221</b>	<b>97,31,636</b>
<b>Less: Depreciation</b>	<b>49,75,179</b>	<b>50,94,470</b>	<b>49,75,337</b>	<b>50,94,696</b>
<b>Less: Interest</b>	<b>26,78,791</b>	<b>32,03,662</b>	<b>27,66,208</b>	<b>33,17,996</b>
Profit/(Loss) Before Tax	<b>88,49,493</b>	<b>31,03,146</b>	<b>1,06,04,676</b>	<b>13,18,944</b>
<b>Less: Tax Expenses</b>				
Current Tax	26,08,364	16,03,665	26,08,364	16,04,230
Deferred Tax	(2,79,850)	(3,35,800)	1,88,240	(8,15,210)
<b>Net Profit/(Loss) after Tax</b>	<b>65,20,979</b>	<b>18,35,281</b>	<b>78,08,071</b>	<b>5,29,924</b>
<b>Attributable to:</b>				
Equity Holders	-	-	78,06,946	5,31,065
Non-controlling interest	-	-	1,125	(1,141)
<b>Add: Amount brought forward from Last Year</b>	<b>1,56,89,711</b>	<b>1,38,54,430</b>	<b>1,30,51,823</b>	<b>1,25,20,758</b>
Balance carried forward to Balance Sheet	<b>2,22,10,690</b>	<b>1,56,89,711</b>	<b>2,08,58,769</b>	<b>1,30,51,823</b>

The Company's financial statements for the year ended March 31, 2022 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 Financial Year ended on 31<sup>st</sup> March, 2022, your Company has achieved on standalone basis an operational turnover and other income of Rs. 909.31 Lakhs as against an operational turnover and other income of Rs. 760.76 Lakhs in the previous Financial Year and the Profit after Tax of Rs. 65.21 Lakhs as against Profit after Tax of Rs. 18.35 Lakhs in the previous Financial Year.

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

The Company has one subsidiary named 'Shree Coratomic Limited'. On consolidated basis, your Company has achieved operational turnover and other income of Rs. 930.27 Lacs as against an operational turnover and other income of Rs. 761.39 Lacs in the previous Financial Year and the Profit after Tax of Rs. 78.08 Lacs as against Profit after Tax of Rs. 5.30 Lacs in the previous Financial Year. The company and its subsidiary on its standalone basis reported Profits during the year and there overall performance has increased as against the previous financial year.

**c. Operations And Future Outlook**

The Company is one among the Corporates which are operating in global market for Pacemaker. Pacemakers are medical devices that are used to impart electrical pulses to the heart, so as to ensure normal heart rate. Pacemakers are used to treat patients who are suffering from heart conditions, such as heart failure and arrhythmias. These devices are implanted under patient's chest by cardiologist to deal with various indications and used for the treatment of heart medical complications/conditions.

The market is estimated to grow at a compound annual growth rate (CAGR) of 3.4% from 2022 to 2030. Due to rising incidences of cardiovascular diseases and impacts of COVID-19 has resulted in increase in cost of cardiac disease management, favorable government policies, and the launch of technologically advanced pacemakers such as the MRI safe pacemakers and leadless pacemakers are chiefly driving the growth in the market.

Currently, Majority of the players operating in the Indian market are foreign companies. Stiff competition exists among these players. Your Company is looking forward to cover major Indian market in coming years. Further, the Company is serving to other Countries also and panning to reach far beyond Indian boundaries. This will also help our nation to save crucial foreign exchange.

Your 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.

We have already reached a milestone of more than 1,00,000 implants in India and beyond. This has been truly possible through the continued commitment to Research and Development and a vision to serve our people.

The Prime Minister's atmanirbhar bharat abhiyan and "vocal for local" mantra has also brought out the significance for our local brands to have a global presence. India is the biggest and the fastest-growing market in the world for the majority of the product categories.

With a more than 30 years of experience, we continue to aspire with great zeal and vigour to realize our PM's mission of "Make in India" and "Self Reliance".

**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 2021-2022 there was no change in capital structure of the Company. The paid up equity capital as on March 31, 2022 was Rs. 3,59,94,000 (Rupees Three Crores Fifty Nine Lakhs and Ninety Four Thousand Only) divided into 35,99,400 equity shares of Rs. 10/- each. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. None of the Directors of the company hold instruments convertible into equity shares of the Company.

**f. Revision of Annual Financial Statements**

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

**2. Transfer to Reserves**

During the year the Company has not transferred any amount to the general reserves or any other reserves as the Company retains the entire amount of profits as retained earnings.

**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. Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

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

Further there are no other 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. Annual Return**

Pursuant to provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company for Financial Year 2021-22 is available on the Company's website at weblink <http://www.pacetronix.com/products/leads/dsp-bipolar-lead-3952-vb/other-shareholders-information/>

#### **7. Subsidiary, Associate Companies or Joint Ventures of the Company**

##### **Subsidiary:**

The Company has one Indian subsidiary "Shree Coratomic Limited". In accordance with Section 129 of the Companies Act, 2013, a separate statement containing salient features of the financial statement of the subsidiary of the Company forms part of Annual Report in the prescribed **Form AOC-1** as **Annexure I**.

Further, the Company has also formulated a policy for determining 'material' subsidiary which is available on the website of the Company at [www.pacetronix.com](http://www.pacetronix.com).

**Associate Company or Joint Venture:** The Company does not have any joint venture or associate Company at the beginning or closing or any time during the year 2021-2022.

#### **8. Consolidated Financial Statements**

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.

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](http://www.pacetronix.com).

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

During the financial year 2021-2022, all contracts/ arrangements/ transactions entered into by the Company with its related parties were reviewed and approved by the Audit Committee and the Board. 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, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

There are no material contracts or arrangements or transactions during the year. Thus, the disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

The Company has adopted a Related Party Transactions Policy and the same is uploaded on the Company's website <http://www.pacetronix.com/investor-corner/policies/>.

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

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

At the year ended March 31, 2022, the Board of Directors comprised of Two Executive directors and five Non-Executive Independent Directors including one Independent Women Director. 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 and Ms. Manali Tongia (appointed w.e.f. 24<sup>th</sup> March, 2022)

### **Declaration by Independent Directors**

All Independent Directors of the Company have furnished 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 and there has been no change in the circumstances which may affect their status as Independent Director during the year. Independent Directors have also submitted declaration that they have registered themselves on the online data bank of Indian Institute of Corporate Affairs (IICA) in accordance with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

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 (LODR) 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:**

Mr. Rajesh Kumar Bhale, Mr. Varun Rawat and Mr. Mahesh Purohit, Non executive independent directors of the Company has resigned from the Board w.e.f close of working hours of 5<sup>th</sup> May 2022.

During the year under review, Ms. Harshita Jindal, Company Secretary of the Company resigned from the Company w.e.f close of working hours of 25<sup>th</sup> February 2022.

#### **Appointments:**

During the year under review, the Board appointed Mr. Yash Bagora as Company Secretary of the Company w.e.f 24<sup>th</sup> March, 2022.

**Regularization of Directors:**

The Board in its meeting held on Thursday 24<sup>th</sup> March, 2022, appointed Ms. Manali Tongia (DIN: 09542172) as the Additional Director of the Company in the category of Non Executive Independent Directors and she shall hold office upto the conclusion of ensuing Annual General Meeting.

Further, the Board in its meeting held on Thursday 05<sup>th</sup> May, 2022, appointed Ms. Somya Chhabra (DIN: 09597296) as the Additional Director of the Company in the category of Non Executive Independent Director w.e.f. 06<sup>th</sup> May, 2022, and she shall hold office upto the conclusion of ensuing Annual General Meeting.

Your Directors recommend the appointment of Ms. Manali Tongia (DIN: 09542172), and Ms. Somya Chhabra (DIN: 09597296), as Directors on the Board of the Company.

**Directors seeking re-appointment at the ensuing 34<sup>th</sup> Annual General Meeting:**

Based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on Thursday, 21<sup>st</sup> July 2022, proposed the re-appointment of Mr. Atul Kumar Sethi (DIN: 00245685) as a Managing Director of the Company for a further period of three (3) years commencing from 01<sup>st</sup> December, 2022 to 30<sup>th</sup> November, 2025 which is subject to the approval of shareholders in the ensuing 34<sup>th</sup> Annual General Meeting.

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

**Director liable to Retire By Rotation:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Akash Sethi (DIN: 08176396), Joint Managing Director of the Company is liable to retire by rotation and being eligible, offers himself for reappointment at the ensuing 34<sup>th</sup> 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 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 2021-2022:

**Committees of the Board of Directors**

The Board has three committees which have been constituted 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 2021-2022:

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



**a. Audit Committee:**

1. Sushil Kumar Patni – Chairman, Independent Director
2. Mahesh Purohit\* – Member, Independent Director
3. Rajesh Kumar Bhale\*\* - Member, Independent Director

**b. Stakeholder Committee:**

1. Sushil Kumar Patni – Chairman, Independent Director
2. Mahesh Purohit\* – Member, Independent Director
3. Atul Kumar Sethi – Member, Executive Director

**c. Nomination and Remuneration Committee:**

1. Sushil Kumar Patni – Chairman, Independent Director
2. Mahesh Purohit\* – Member, Independent Director
3. Rajesh Kumar Bhale\*\* – Member, Independent Director

\* Mr. Mahesh Purohit Ceased to be member of the Committee, due to resignation as Independent Director w.e.f. close of working hours of 5<sup>th</sup> May 2022.

\*\* Mr. Rajesh Kumar Bhale Ceased to be member of the Committee, due to resignation as Independent Director w.e.f. close of working hours of 5<sup>th</sup> May 2022.

Further, due to Changes in the Composition of Board of the Company, the Board of Directors of the Company at its meeting held on 05<sup>th</sup> May, 2022, have approved the re-constitution of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee with effect from Friday, 06<sup>th</sup> May, 2022. Post Reconstitution, the Composition of aforesaid Committees shall be as under:

**a. Audit Committee:**

1. Sushil Kumar Patni – Chairman, Independent Director
2. Manali Tongia# – Member, Additional Independent Director
3. Somya Chhabra## – Member, Additional Independent Director

**b. Stakeholder Committee:**

1. Sushil Kumar Patni – Chairman, Independent Director
2. Manali Tongia# – Member, Additional Independent Director
3. Atul Kumar Sethi – Member, Executive Director

**c. Nomination and Remuneration Committee:**

1. Sushil Kumar Patni – Chairman, Independent Director
2. Manali Tongia #– Member, Additional Independent Director
3. Somya Chhabra## – Member, Additional Independent Director

# Appointed as a member of Committee w.e.f. Friday, 06<sup>th</sup> May, 2022.

##Appointed as a member of Committee w.e.f. Friday, 06<sup>th</sup> May, 2022.

**Audit Committee**

At the year ended March 31, 2022, the Company has an adequately qualified and experienced Audit Committee with Mr. Sushil Kumar Patni as Chairperson, Mr. Mahesh Purohit as Member and Mr. Rajesh Kumar Bhale, as Member. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

Post March 31, 2021 and as on date of this Report due to cessation of Mr. Mahesh Purohit and Mr. Rajesh Kumar Bhale Independent Directors of the Company the Audit Committee has been re-constituted w.e.f. 06<sup>th</sup> May, 2022.

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. **April 09, 2021; June 30, 2021; August 09, 2021; August 13, 2021; November 12, 2021; February 14, 2022; February 25, 2022; March 16, 2022; March 24, 2022; March 28, 2022**

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 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 24, 2022**. 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 Senior Management Personnel 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.pacetronix.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 Director, KMP or Senior Management Personnel
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.

The Nomination and Remuneration Policy of the Company is placed on the Company's website at <http://www.pacetronix.com/investor-corner/policies/>.

### **Other Policies:**

The other policies adopted by the Company pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations are placed on the Company's website at <http://www.pacetronix.com/investor-corner/policies/>.

## **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 Executive 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 for the financial year ended 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March 2022 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 33<sup>rd</sup> Annual General Meeting held on 29th September 2021, M/s S.R. Naredi & Co., Chartered Accountants (ICAI Firm Registration No. 002818C) were appointed for a term of five consecutive years as Statutory Auditors of the Company to hold office till the conclusion of 38<sup>th</sup> Annual General Meeting to be held in the calendar year 2026.

The Company has received a certificate from the Statutory 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.

In accordance with Notification No. GSR 432(E) issued on 07<sup>th</sup> May, 2018 by the Ministry of Corporate Affairs the appointment of statutory auditors is not required to be ratified at every Annual General Meeting.

### **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 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Ms. Shraddha Jain, Practicing Company Secretary, Indore (M.P.) to conduct Secretarial Audit of the Company for the financial year 2021-2022. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2022 is annexed herewith marked as **Annexure II** to this Report.

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

**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 as amended from time to time, therefore no such records required to be maintained.

**d. Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 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 of the Company for the financial year 2021-2022.

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

Your 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 for financial year 2021-2022 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**

During the Financial Year 2021-2022, your Company has not given any loan, guarantee or made investments in any body corporate in terms of section 186 of the Companies Act, 2013. 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 31 forming part of the financial statements of the Company.

**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 III** 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 fall under the provisions of the Section 135 of the Companies Act, 2013 and the rules made their under. Hence the obligations under section 135 of the Companies Act, 2013 are not applicable to the Company.

**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.pacetronix.com](http://www.pacetronix.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 2021-2022 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 IV** 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, during the year, none of the employees (other than directors of the Company) along with his spouse and dependent children holds two percent of the equity shares of the Company.

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) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and name of employees receiving remuneration in excess of that drawn by the Managing Director or Whole-time director is enclosed as **Annexure V** 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 Joint Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31<sup>st</sup> March, 2022 which is enclosed as **Annexure VI** 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) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable on the Company as the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs. 25 Crores as on the last day of the immediate previous financial year.

Hence on 10<sup>th</sup> July, 2021 your Directors intimated to Stock exchange regarding non applicability of above corporate governance provisions for the financial year 2021-2022. **However your Company has voluntary followed Corporate Governance Practice as far as possible.**

As a good corporate governance practice, your Directors present the Report on Corporate Governance provisions as prescribed under SEBI (LODR) Regulations, 2015 for the year ended 31<sup>st</sup> March 2022 to have more transparency and disclosures, and the same is attached with this report as **Annexure – VII**.

Certificate from Practicing Company Secretary confirming compliance of the Corporate Governance Practice is also attached as **Annexure-VIII** 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 enclosed as **Annexure – IX** and forms the part of this Board Report..

**33. Listing at Stock Exchange**

The Equity shares of the Company are listed on BSE Limited, Mumbai and the Listing Fee for the year 2021-2022 has been duly paid.

The Company has complied with SEBI (LODR) Regulations, 2015 including payment of Annual Listing Fees up to March 31, 2022 to BSE Limited.

**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, 2022.



**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. Provision of Voting by Electronic Means through remote e-voting and e-voting at the AGM:**

Your Company is providing E-voting facility as required under section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The ensuing AGM will be conducted through VC/OVAM and no physical meeting will be held and your company has make necessary arrangements with CDSL to provide facility for remote e-voting and e-voting at AGM. The details regarding e-voting facility is being given with the notice of the Annual General Meeting.

**39. 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.

**40. 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.

**41. 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.pacetronix.com/wp-content/uploads/2019/10/Sexual%20Harassment%20Policy.pdf>.

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.

**42. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and their status:**

There are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

**43. Details of difference between amount of the Valuation done at the time of One Time Settlement and the Valuation done while taking loans from the Banks or Financial Institution along with the reasons thereof:**

There are no such events occurred during the period from April 01, 2021 to March 31, 2022, thus no valuation is carried out for the one-time settlement with the Banks or Financial Institutions.

**44. Acknowledgements**

Your Directors place on record, their sincere appreciation and deep 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 for valuable contribution in the working and growth of the Company.

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

Date: 21/07/2022

Place: Pithampur

Atul Kumar Sethi  
Managing Director  
(DIN:00245685)

Akash Sethi  
Joint Managing Director  
(DIN: 08176396)

## ANNEXURE- I

<b>Form AOC-1</b> <b>[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]</b>
--

**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 Rupees (INR)]

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	Same as of Holding Company
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	80,07,000
5.	Reserves & surplus	(13,53,103)
6.	Total Assets	2,89,29,711
7.	Total Liabilities	2,22,75,814
8.	Investments	-
9.	Turnover (includes other income)	44,50,935
10.	Profit before taxation	17,55,183
11.	Provision for taxation	4,68,090
12.	Profit after taxation	12,87,093
13.	Proposed Dividend	NA
14.	% of shareholding	99.91%

1. Names of subsidiaries which are yet to commence operations: **NA**
2. 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

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

**For S R Naredi & Company**  
**Chartered Accountants**

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

**CA S R NAREDI**  
**Proprietor**  
**M. No. 072014**

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

**Akash Sethi**  
Joint Managing Director  
(DIN: 08176396)

Date: 21/07/2022  
Place: Indore

Date: 21/07/2022

Place: Pithampur

## **ANNEXURE-II**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**  
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies*  
*(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (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;
  - 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 regarding the Companies Act and dealing with client;
- 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, 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.

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

Secretarial Standards 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 Woman 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 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 Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees 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: 21/07/2022

Signature: \_\_\_\_\_

Shraddha Jain

ACS No: 39488

C P No: 14717

UDIN: A039488D000666455

Peer Review Certificate No.1765\_2022

**Note:** This report is to be read with our Letter of even date which is annexed as Annexure herewith and forms an integral part of this report.

**ANNEXURE to Secretarial Audit Report**

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

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore  
Date: 21/07/2022

Signature: \_\_\_\_\_

Shraddha Jain

ACS No: 39488

C P No: 14717

UDIN: A039488D000666455

Peer Review Certificate No.1765\_2022



## ANNEXURE – III

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, 2022 is given here below and forms part of the Directors' Report.

### **A. Conservation of Energy:**

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

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- 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 2021-2022.

#### **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**

Product Improvement, Cost reduction & Product development activities are the ongoing processes in the Company.

#### **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. 23,12,921/-

### **C. Foreign Exchange Earnings and Outgo-**

**Amount in Rupees**

<b>S.No</b>	<b>Particulars</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
1	Foreign Exchange earned		
	➤ FOB Value of Exports	20,78,123	81,31,068
<b>TOTAL EARNINGS</b>		<b>20,78,123</b>	<b>81,31,068</b>
2	Expenditure in Foreign Exchange:		
	➤ Foreign travel	8,55,111	10,33,646
	➤ Fees for Technical Services	-	30,464
	➤ Capital Goods	89,320	-
	➤ Raw Materials (CIF Value of Imports)	1,84,41,348	1,92,40,659
	➤ R&D	1,27,208	4,570
	➤ Repair to Machinery	54,937	3,68,980
	➤ Business Promotion	-	3,07,287
<b>TOTAL EXPENDITURE</b>		<b>1,95,67,924</b>	<b>2,09,85,606</b>

## ANNEXURE –IV

**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**

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-2022, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-2022:

S. No	Name of Director/KMP	Designation	Remuneration of Directors/ KMPs for Financial Year 2021-2022	Remuneration of Directors/ KMPs for Financial Year 2020-2021	% increase in Remuneration in the Financial Year	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Atul Kumar Sethi	Managing Director	27,60,000	25,20,000	9.52%	17.3:1
2.	Mrs. Amita Sethi (Ceased w.e.f. 28 <sup>th</sup> March, 2022)	Whole-Time Director	6,00,000	6,00,000	-	3.76:1
3.	Mr. Vikas Gokhale (Ceased w.e.f. 28 <sup>th</sup> March, 2022)	Whole-Time Director	10,56,780	10,26,000	3%	6.63:1
4.	Mr. Akash Sethi	Joint Managing Director	12,00,000	12,00,000	-	7.52:1
5.	Mr. Sushil Kumar Patni	Non-Executive Independent Director	-	-	-	-
6.	Mr. Mahesh Purohit (Ceased w.e.f. 6 <sup>th</sup> May, 2022)	Non-Executive Independent Director	-	-	-	-
7.	Mr. Varun Rawat (Ceased w.e.f. 6 <sup>th</sup> May, 2022)	Non-Executive Independent Director	-	-	-	-
8.	Mr. Rajesh Kumar Bhale (Ceased w.e.f. 6 <sup>th</sup> May, 2022)	Non-Executive Independent Director	-	-	-	-
9.	Ms. Manali Tongia (Appointed w.e.f. 24 <sup>th</sup> March, 2022)	Non-Executive Independent Director	-	-	-	-
11.	Mr. Ashok Atulkar	Chief Financial Officer	2,53,175	2,49,122	1.63%	-
12.	Ms. Harshita Jindal (Ceased w.e.f. 26 <sup>th</sup> February, 2022)	Company Secretary	2,36,500	2,40,000	(0.625%)	-

**The percentage increase in the median remuneration of employees in the financial year-**

There was a increase in the median remuneration of employees in the financial year by 10.76%.

- i. **The number of permanent employees on the rolls of Company as on March 31, 2022: 65**
- ii. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

There was increase in Average percentile of the salaries of employees other than the managerial personnel in the financial year i.e. 2021-2022 by 14.81%

The increase in remuneration of Key Managerial Personnel is not solely based on Company's performance but also includes various other factors like individual performance, experience, relevant expertise, skills, academic background, industry trends, economic situation and future growth prospects etc. besides Company's performance and there were no exceptional circumstances for increase in the managerial remuneration in comparison to remuneration of other employees.

- iii. 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.
- iv. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**  
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

Date: 21/07/2022

Place: Pithampur

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

**Akash Sethi**  
Joint Managing Director  
(DIN: 08176396)

## ANNEXURE –V

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 31<sup>st</sup> March, 2022

S. N.	Name	Designation	Remuneration received during the Financial Year (In Rs.)	Nature of employment, whether contractual or otherwise	Qualification and Experience	Date of Joining	Age (In years)	Last Employment	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	the percentage of equity shares held by the employee in the company
1	Mr. Atul Kumar Sethi	Managing Director	27,60,000	Contractual	MBA (Marketing), 25 years	11.01.1988	60	--	1. Mr. Akash Sethi 2. Mrs. Amita Sethi (Ceased w.e.f. 28 <sup>th</sup> March, 2022)	Self : 19.60% Spouse: 3.20% Children: 1.45%
2	Mr. Akash Sethi	Joint Managing Director	12,00,000	Contractual	Master of Science, 7 years	14.08.2018	31	--	1. Mr. Atul Kumar Sethi 2. Mrs. Amita Sethi	Self : 0.35%
3	Mr. Vikas Gokhale (Ceased w.e.f. 28 <sup>th</sup> March, 2022)	Whole-Time Director	10,56,780	Contractual	M tech, 21 years	30.01.2012	47	--	--	--
4	Mrs. Amita Sethi (Ceased w.e.f. 28 <sup>th</sup> March, 2022)	Whole-Time Director	6,00,000	Contractual	MA, 20 years	01.12.2010	56	--	1. Mr. Atul Kumar Sethi 2. Mr.	Self : 3.20% Spouse: 19.60%

	March, 2022)								Akash Sethi	Children: 1.45%
5	Mr. Mayur Dilip Bhusari	General Manager, Production	7,05,600	Regular	Graduate, 16 years	01.01.2006	48	--	--	--
6	Mr. Pradip Tyagi	Assistant Quality control	6,28,456	Regular	Graduate, 14 years	19.03.2007	36	--	--	--
7	Mr. Murtaza Faizee	Regional Sales Manager	5,30,496	Regular	Graduate, 25 years	11.01.1988	48	--	--	--
8	Mr. Sumit Chakrabarti	Regional Marketing Manager	4,42,700	Regular	Graduate, 23 years	01.12.1997	65	CADILA	--	--
9	Mr. Arvind Mishra	Engineer at Tool Room Department	4,41,130	Regular	Post Graduate, 14 years	21.02.2014	36	Man Trucks	--	--
10	Mr. Vipul Bhatt	C.R.M., Pacemaker Marketing	4,20,000	Regular	B.Sc. Physics, 32 years	15.02.2018	55	Emergent Meditech	--	--
11	Mr. Rabin Chakraborty	Sales Manager	3,96,000	Regular	Graduate, 17 years	01.06.2003	57	--	--	--
12	Mr. Vijay Kumar Soni	Lead Quality Control Manager	3,73,656	Regular	Graduate, 25 years	01.09.1996	46	--	--	--
13	Mr. Rajesh Bhauraoji Wath	Temp Pacemaker Quality Control Manager	3,59,588	Regular	Graduate, 22 years	01.07.1999	51	--	--	--
14	Mr. Neeraj Tiwari	Territory Sales Manager	3,24,000	Regular	B.Sc. Biotechnology 9 years	01.08.2013	31	--	--	--
15	Mr. Krishnakant Pandey	Territory Sales Manager	2,89,800	Regular	M.B.A 13 years	01.04.2009	36	--	--	--

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

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

Date: 21/07/2022

Place: Pithampur

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

**Akash Sethi**  
Joint Managing Director  
(DIN: 08176396)

## **ANNEXURE-VI**

### **COMPLIANCE CERTIFICATE**

[As per Regulation 17 (8) of SEBI (LODR) Regulations, 2015]

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

Dear Members' of the Board,

We, 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 and Consolidated) for the year ended 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
  - a. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We further certify, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.
4. We have indicated to the auditors and the Audit committee that there is:
  - a. No significant change in internal control over financial reporting during the year;
  - b. No significant change in accounting policies during the year under review, and
  - c. No instance of any fraud in the company in which the management or an employee has any role.

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

Date: 30/05/2022

Place: Pithampur

**Ashok Atulkar**  
Chief Financial officer

**Atul Kumar Sethi**  
Managing Director



## **ANNEXURE VII**

### **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) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable on the Company as the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs. 25 Crores as on the last day of the previous financial year.

Hence on 10<sup>th</sup> July, 2021 your Directors intimated to Stock exchange regarding non applicability of above corporate governance provisions for the financial year 2021-2022.

However your Company believes in Good Corporate Governance Practices, so the Directors present the Report on Good Corporate Governance for the year ended 31<sup>st</sup> March 2022 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**

Corporate Governance at Shree Pacetronix Limited has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. 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 firmly believes and has consistently practiced good Corporate Governance.

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.

#### **2. BOARD OF DIRECTORS**

The Board of Directors along with its committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

##### **a. Composition & Category**

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

<b>Name of Director</b>	<b>Category</b>
Mr. Akash Sethi	Promoter, Executive Director
Mr. Atul Kumar Sethi	Promoter, Executive Director
Mrs. Amita Sethi (Ceased w.e.f. 28th March, 2022)	Promoter, Executive, Woman Director

Mr. Vikas Gokhale (Ceased w.e.f. 28th March,2022)	Executive Director
Mr. Sushil Kumar Patni	Non- Executive Independent Director
Mr. Mahesh Purohit (Ceased w.e.f. 6th May,2022)	Non- Executive Independent Director
Mr. Rajesh Kumar Bhale (Ceased w.e.f. 6th May,2022)	Non- Executive Independent Director
Mr. Varun Rawat (Ceased w.e.f. 6th May,2022)	Non- Executive Independent Director
Ms. Manali Tongia*	Non- Executive Independent Director
Ms. Somya Chhabra**	Non- Executive Independent Director

**Notes:**

\* Ms. Manali Tongia was appointed as an Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. March 24, 2022.

\*\* Ms. Somya Chhabra was appointed as Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. May 6, 2022.

Post March 31, 2022 and as on date of this Report, the Board comprising of the following Directors:

<b>Name of Director</b>	<b>Category</b>
Mr. Akash Sethi	Promoter, Executive Director
Mr. Atul Kumar Sethi	Promoter, Executive Director
Mr. Sushil Kumar Patni	Non- Executive Independent Director
Ms. Manali Tongia	Non- Executive Independent Director
Ms. Somya Chhabra	Non- Executive Independent Director

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

The Board comprised of:

<b>Category</b>	<b>No. of Directors</b>	<b>Percentage (%)</b>
Executive Directors	2	40
Non- Executive Independent Directors	3	60
<b>TOTAL</b>	<b>5</b>	<b>100</b>

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

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

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

All the Independent Directors (IDs) 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. These were placed before the Board. The Board, based on the declaration(s) received from the IDs, have verified the veracity of such disclosures and confirmed that the IDs fulfil the conditions of Independence specified in the SEBI (LODR) Regulations, 2015 and are independent of the management of the Company.

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

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

<b>Name of Director</b>	<b>Name of the Company</b>	<b>Category</b>	<b>Designation</b>
Atul Kumar Sethi	Shree Coratomic Limited	Public Unlisted Company	Director
Vikas Gokhale (Ceased w.e.f. 28th March, 2022)	Shree Coratomic Limited	Public Unlisted Company	Director
Akash Sethi	Shree Coratomic Limited	Public Unlisted Company	Director
Sushil Kumar Patni	Shree Coratomic Limited	Public Unlisted Company	Director

**c. The Names of Other Listed Entities where the Directors have Directorship and their Category of Directorship in such Listed Entities:** None of the Director is holding Directorship in any other listed Company.

**d. Reason of Resignation of Independent Directors:**

There is no resignation of any independent Director during the Financial Year 2021-2022. However, Mr. Mahesh Purohit, Mr. Rajesh Kumar Bhale, Mr. Varun Rawat resigned from the post of Independent Non-Executive Directors w.e.f. 06<sup>th</sup> May, 2022. The said resignation was due to preoccupation elsewhere and they were not in position to devote their time to the affairs of the Company. Further, the said directors have also confirmed that there is no material reason for resignation, other than mentioned in resignation letter.

**e. 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.

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
2. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
4. Financial and Management skills.
5. Technical / Professional skills and knowledge in relation to Company's business.

**DIRECTORS HAVING SUCH SKILL AND COMPETENCIES**

NAME OF DIRECTORS	SKILLS				
	Knowledge on Company's businesses etc.	Behavioural skills	Business Strategy, Sales & Marketing etc	Financial and Management skills	Technical/ Professional skills etc.
Mr. Atul Kumar Sethi	Yes	Yes	Yes	Yes	Yes
Mr. Akash Sethi	Yes	Yes	Yes	Yes	Yes
Mrs. Amita Sethi (Ceased w.e.f. 28th March, 2022)	Yes	Yes	Yes	Yes	Yes
Mr. Vikas Gokhale (Ceased w.e.f. 28th March, 2022)	Yes	Yes	Yes	Yes	Yes
Mr. Sushil Kumar Patni	Yes	Yes	Yes	Yes	Yes
Mr. Mahesh Purohit (Ceased w.e.f. 05th May, 2022)	Yes	Yes	Yes	Yes	Yes
Mr. Rajesh Kumar Bhale (Ceased w.e.f. 05th May, 2022)	Yes	Yes	Yes	Yes	Yes
Mr. Varun Rawat (Ceased w.e.f. 05th May, 2022)	Yes	Yes	Yes	Yes	Yes
Ms. Manali Tongia*	Yes	Yes	Yes	Yes	Yes
Ms. Somya Chhabra**	Yes	Yes	Yes	Yes	Yes

**Notes:**

\* Ms. Manali Tongia was appointed as an Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. March 24, 2022.

\*\* Ms. Somya Chhabra was appointed as an Additional Director in Non- Executive Independent Category on the Board of the company w.e.f. May 5, 2022.

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.

**f. 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 intervening gap between the two Board meetings was in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

During the Financial year, the Board met 10(Ten) times on:

*09<sup>th</sup> April, 2021, 30<sup>th</sup> June, 2021, 09<sup>th</sup> August, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021, 14<sup>th</sup> February, 2022, 25<sup>th</sup> February, 2022, 16<sup>th</sup> March, 2022, 24<sup>th</sup> March, 2022, 28<sup>th</sup> March, 2022*

- g. 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 31<sup>st</sup> March, 2022 are given in the following table**

Name of the Director	Category	Attendance at Board meetings attended during 2021-2022	Attendance at last AGM held on 29 <sup>th</sup> September 2021	No. of Directorships (including this Company)	No. of Committee membership position (including this company)		Share holding
					As Chairman	As Member	
Mr. Atul Kumar Sethi (DIN: 00245685)	Promoter, Executive Director	9	Yes	2	-	1	705506
Mrs. Amita Sethi (DIN: 00245722) (Ceased w.e.f. 28th March, 2022)	Promoter, Executive, Woman Director	10	Yes	1	-	-	115074
Mr. Akash Sethi (DIN: 08176396)	Promoter, Executive Director	10	Yes	2	-	-	12699
Mr. Vikas Gokhale (DIN: 05193393) (Ceased w.e.f. 28th March, 2022)	Executive Director	10	Yes	2	-	-	-
Mr. Sushil Kumar Patni (DIN: 00245754)	Non-Executive Independent Director	10	Yes	2	3	3	-
Mr. Mahesh Purohit (DIN: 07560407)	Non-Executive Independent Director	8	No	1	-	3	-
Mr. Rajesh Kumar Bhale (DIN: 01933024)	Non-Executive Independent Director	8	Yes	1	-	2	-
Mr. Varun Rawat (DIN: 08203524)	Non-Executive Independent Director	7	No	1	-	-	-
Ms. Manali Tongia (DIN: 09542172) (Appointed w.e.f. 24 <sup>th</sup> March, 2022)	Non-Executive Independent Woman Director	1	-	-	-	-	-

**Note:** Committee membership(s) and Chairmanship(s) are counted separately.

**h. 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 **Thursday, 24<sup>th</sup> March, 2022** 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.
- 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.

**i. Familiarization Programme**

The Company has adopted a policy on familiarization program for Independent Directors with the objective of familiarizing them with the Company, its operations, Business Model, Business Strategy, 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. The policy can be accessed at <http://www.pacetronix.com/investor-corner/policies/>

**j. 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.

(\*) resigned from the post of Whole time director of the company w.e.f. March 28, 2022.

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

No Appointment/ Re-appointment took place by the Members at the 33<sup>rd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2021, No special resolution was passed in 33<sup>rd</sup> Annual General Meeting of the Company.

**1. 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 on 31<sup>st</sup> March, 2022, 6 (Six) Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

**09<sup>th</sup> April, 2021, 30<sup>th</sup> June, 2021, 13<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021, 14<sup>th</sup> February, 2022 and 24<sup>th</sup> March, 2022**

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	6	6
Mr. Mahesh Purohit* (DIN: 07560407)	Member, Independent Director	6	6
Mr. Rajesh Kumar Bhale* (DIN: 01933024)	Member, Independent Director	6	6

\*Further, due to resignation of Mr. Mahesh Purohit and Mr. Rajesh Kumar Bhale, Independent Directors of the Company w.e.f. May 05, 2022, there was need for Reconstitution of the Audit Committee of the Board. Hence the Board of Directors in their meeting held on May 05, 2022 reconstituted the Audit Committee.

Ms. Manali Tongia and Ms. Somya Chhabra were appointed as an Additional Director in Non- Executive Independent Category effective March 24, 2022 and May 05, 2022 and was also inducted as member of the Audit Committee.

Post March 31, 2022 and as on date of this Report, the Audit Committee comprising of following Members:

Name	Category
Mr. Sushil Kumar Patni (DIN: 00245754)	Chairman, Independent Director
Ms. Manali Tongia (DIN: 09542172)	Member, Independent Director
Ms. Somya Chhabra (DIN: 09597296)	Member, Independent Director

We hereby confirm composition of the Audit Committee is in line with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations.

**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 on 31<sup>st</sup> March, 2022, 4 (Four) Nomination and Remuneration Committee Meetings were held and the dates on which the said meetings were held are as follows:

***09<sup>th</sup> April 2021, 25<sup>th</sup> February, 2022, 24<sup>th</sup> March, 2022 and 28<sup>th</sup> March, 2022***

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	4	4
Mr. Rajesh Kumar Bhale* (DIN: 01933024)	Member, Independent Director	4	4

\*Further, due to resignation of Mr. Mahesh Purohit and Mr. Rajesh Kumar Bhale, Independent Directors of the Company w.e.f. May 05, 2022, there was need for Reconstitution of the Nomination and Remuneration Committee of the Board. Hence the Board of Directors in their meeting held on May 05, 2022 reconstituted the Nomination and Remuneration Committee.

Ms. Manali Tongia and Ms. Somya Chhabra was appointed as an Additional Director in Non- Executive Independent Category effective March 24, 2022 and May 05, 2022 and was also inducted as member of the Nomination and Remuneration Committee.

Post March 31, 2022 and as on date of this Report, the Nomination and Remuneration Committee comprising of following Members:

Name	Category
Mr. Sushil Kumar Patni (DIN: 00245754)	Chairman, Independent Director
Ms. Manali Tongia (DIN: 09542172)	Member, Independent Director
Ms. Somya Chhabra (DIN:09597296)	Member, Independent Director

We hereby confirm composition of the Nomination and Remuneration Committee is in line with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

**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, abides by the legal obligations and code of conduct, maintaining high level of confidentiality, 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.pacetronix.com](http://www.pacetronix.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. However, Mrs. Amita Sethi and Mr. Vikas Gokhale resigned from the post of Whole time Director w.e.f. March 28, 2022. The details of remuneration to the Executive Directors are as follows:

**In Rupees (Rs.)**

Name of Directors	Designation	Salary p.a.	Benefits	Commission	Bonus	Total
Mr. Atul Kumar Sethi DIN: 00245685	Managing Director	27,60,000	-	-	-	27,60,000
Mr. Akash Sethi DIN: 08176396	Joint Managing Director	12,00,000	-	-	-	12,00,000
Mrs. Amita Sethi* DIN: 00245722	Whole time Director	6,00,000	-	-	-	6,00,000
Mr. Vikas Gokhale* DIN: 05193393	Whole time Director	10,56,780	-	-	-	10,56,780

(\*) resigned from the post of Whole time Director of the company w.e.f. March 28, 2022.

- 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 for attending the Board Meeting and/or Committee Meetings 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, 2022, 4 (four) Stakeholders Relationship Committee Meetings were held and the dates on which the said meetings were held are as follows:

***30<sup>th</sup> June 2021, 13<sup>th</sup> August 2021, 12<sup>th</sup> November 2021, 14<sup>th</sup> February 2022.***

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. Atul Kumar Sethi (DIN: 00245685)	Member, Executive Director	4	3
Mr. Mahesh Purohit* (DIN: 07560407)	Member, Independent Director	4	4

\*Further, due to resignation of Mr. Mahesh Purohit, Independent Director of the Company w.e.f. May 05, 2022, there was need for Reconstitution of the Stakeholders Relationship Committee of the Board. Hence the Board of Directors in their meeting held on May 05, 2022 reconstituted the Stakeholders Relationship Committee.

Ms. Manali Tongia was appointed as an Additional Director in Non- Executive Independent Category effective March 24, 2022 and was also inducted as member of the Stakeholders Relationship Committee.

Post March 31, 2022 and as on date of this Report, the Stakeholders Relationship Committee comprising of following Members:

Name	Category
Mr. Sushil Kumar Patni (DIN: 00245754)	Chairman, Independent Director
Mr. Atul Kumar Sethi (DIN: 00245685)	Member, Executive Director
Ms. Manali Tongia (DIN: 09542172)	Member, Independent Director

Details of the Complaints received to the Registrar and Share Transfer Agent of the Company are as below:

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

Mr. Yash Bagora, Company Secretary is the general compliance officer of the Company except specifically provided otherwise for specific purposes.

## **2. GENERAL BODY MEETINGS**

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

AGM/EGM	Date	Venue	Time	Whether any Special Business Transacted?
33 <sup>rd</sup> AGM	29th September 2021	Video Conferencing (VC) or Other Audio Video Means (OAVM) for which purposes the registered office of the company was deemed as the venue for the Meeting.	11:30 AM	No
32 <sup>nd</sup> AGM	29th September 2020	Video Conferencing (VC) or Other Audio Video Means (OAVM) for which purposes the registered office of the company was deemed as the venue for the Meeting.	11:30 AM	Yes
31 <sup>st</sup> AGM	28 <sup>th</sup> September 2019	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 2020-2021 and 2021-2022 through postal ballot.

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

## **3. MEANS OF COMMUNICATION**

### **a. Quarterly, Half Yearly 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.

#### **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 English and Hindi newspapers.

### **b. Website**

The Company's website [www.pacetronix.com](http://www.pacetronix.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 2015.

**c. Official Media releases and presentations made to Institutional Investors/Financial Analysts:**

No official media releases and presentations are made by the Company.

**4. GENERAL SHAREHOLDERS INFORMATION**

**a. Annual General Meeting**

On Tuesday, 19<sup>th</sup> August, 2022 at 11:30 A.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") for which purposes the registered office of the Company situated at **Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar, Madhya Pradesh, 454775** shall be deemed as the venue for the meeting.

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

**c. Financial Calendar**

Results for the Quarter ending 30th June, 2022:  
Results for the Quarter ending 30th September, 2022:  
Results for the Quarter ending 31st December, 2022:  
Results for the Quarter ending 31st March, 2023:

**(Tentative)**

First Fortnight of August, 2022  
First Fortnight of November, 2022  
First Fortnight of February, 2023  
Last week of May, 2023

**d. Dividend**

The Board of Directors of the Company has not declared any dividend on equity share for the financial year 2021-2022.

**e. Book Closure**

From Wednesday, 13<sup>th</sup> August 2022 to Tuesday, 19<sup>th</sup> August 2022 (both days inclusive) for the purpose of 34<sup>th</sup> AGM of the Company.

**f. Listing:**

- i. **Stock Exchange :** BSE Limited
- ii. **Stock Code:** 527005
- iii. **ISIN No.:** INE847D01010
- iv. Listing Fees has been paid for financial year 2021-2022.

**g. Plant Location :**

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



### h. Investor Correspondence Address:

#### 1. Registrars and Share Transfer Agents

##### **Ankit Consultancy Private Limited**

60, Electronics Complex, Pardesipura,

Indore (M.P.) - 452010

Phone- 0731-4065799 /97

Fax- 0731-4065798

E Mail Id: [compliance@ankitonline.com](mailto:compliance@ankitonline.com) , [investor@ankitonline.com](mailto:investor@ankitonline.com)

#### 2. Compliance Officer/ Company Secretary

##### **Shree Pacetronix Limited**

Plot No. 15, Sector II, Industrial Area,

Pithampur, District Dhar (M.P.) - 454775

Phone: 07292-411105

Fax: 07292-400418

Email: [pacetronix@hotmail.com](mailto:pacetronix@hotmail.com)

### i. Stock Market Data:

Monthly High/Low/Close during each month at the BSE in the Financial Year 2021-2022:

In Rupees (Rs.)

Year	High	Low	Close
March 2022	26.30	18.50	20.35
February 2022	27.75	21.70	22.80
January 2022	31.75	23.50	23.50
December 2021	31.40	24.40	28.00
November 2021	24.73	13.03	24.73
October 2021	15.47	10.50	14.50
September 2021	15.55	11.36	11.36
August 2021	28.45	14.85	14.85
July 2021	21.38	10.11	21.38
June 2021	9.63	8.32	9.63
May 2021	12.72	9.67	9.67
April 2021	12.14	11.00	11.55

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

Published on Investing.com, 19/Jul/2022 - 12:12:47 GMT, Powered by TradingView.

Shree Pacetronix Ltd, India, BSE:SPAC, W



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

(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: [compliance@ankitonline.com](mailto:compliance@ankitonline.com) , [investor@ankitonline.com](mailto:investor@ankitonline.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. Trading in Ordinary (Equity) Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. The Stakeholders Relationship Committee meets as and when required to, inter alia, consider the issue of duplicate share certificates/transmission case and attend to Shareholders' grievances, etc.

**m. Distribution of shareholding as on 31st March, 2022**

Shareholding of Nominal value of	Number of Shareholders	Percentage of Total	Share Amount in Rs.	Percentage of Total
Rs. Rs.				
UPTO 1000	4484	80.53	4317960	12.00
1001 – 2000	517	9.29	1014340	2.82
2001 – 3000	128	2.30	369800	1.03
3001 – 4000	68	1.22	261970	0.73
4001 -- 5000	186	3.34	926490	2.57
5001 -- 10000	92	1.65	722880	2.01
10001 -- 20000	44	0.79	644150	1.79
20001 -- 30000	7	0.13	168750	0.47
30001 -- 40000	7	0.13	249850	0.69
40001 -- 50000	6	0.11	267370	0.74
50001 -- 100000	14	0.25	1010560	2.81
100000 ABOVE	15	0.27	26039880	72.35
<b>TOTAL</b>	<b>5568</b>	<b>100</b>	<b>35994000</b>	<b>100</b>

**n. Dematerialization of shares as on 31.03.2022:**

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, 2022 is as follows:

Category	No. of Equity Shares of Rs. 10/- each	Percentage (%)
Total number of Demated shares with NSDL	22,24,810	61.81
Total number of Demated shares with CDSL	6,77,111	18.81
Physical	6,97,479	19.38
<b>TOTAL</b>	<b>35,99,400</b>	<b>100</b>

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<sup>st</sup> April, 2019 shares of the Company can only be deal in demat form.

**Shareholding Pattern as on 31st March, 2022**

S.No	Category	No. of Shares Held	Percentage of Shareholding
1.	Promoters & Promoter Group	8,72,756	24.25
2.	Indian Corporate Bodies	4,28,661	11.91
3.	Indian Public	15,75,488	43.77
4.	NRIs/OCBs	7,12,546	19.80
5.	Clearing Member	30	0.00
6.	Foreign National	9919	0.28
<b>TOTAL</b>		<b>35,99,400</b>	<b>100.00</b>

**o. 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.

**p. 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.

**q. List of Credit Ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad :Not Applicable**
**5. 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-36 to Financial Statement forming part of this Annual Report.

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.pacetronix.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.**

There were no such instance.

**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.pacetronix.com](http://www.pacetronix.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 (LODR) Regulations, 2015 during the year. The Company has not adopted any of the non-mandatory requirements of SEBI (LODR) Regulations, 2015. However, the Company has followed Corporate Governance provisions as far as possible.

**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 31<sup>st</sup> March 2022. The detail of subsidiary is provided in detailed manner in Directors' Report.

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 at:

<http://www.pacetronix.com/investor-corner/policies/> .

Further, the annual accounts and related documents of the subsidiary company 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.

**6. MANAGEMENT DISCUSSION AND ANALYSIS**

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

**7. 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.

8. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V (c) of the Listing Regulations: **NIL. Further the Corporate Governance Provisions as specified in SEBI (LODR) Regulations, 2015 are not applicable to the Company**
9. Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted. **NIL**
10. Regulations 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015 are not applicable to the Company. However, the Company has complied with Corporate governance provisions as far as possible.

**11. 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 <http://www.pacetronix.com/investor-corner/policies/> .

This code is applicable and binding on all the directors, designated persons and other connected persons of the Company. The code ensures that the specified persons 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.

## **12. 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 personnel including the code of conduct for Non-Executive Independent Directors and this code is available on Company's website at <http://www.pacetronix.com/investor-corner/policies/>. All Board of 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, 2022. 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, 2022.

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

Date: 30/05/2022

Place: Pithampur

Signature\_\_\_\_\_

Atul Kumar Sethi  
Managing Director  
(DIN- 00245685)

## **13. TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY AND ITS SUBSIDIARY ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR**

The Company has paid Total fees of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) for financial year 2021-2022 for all services, to the Statutory Auditor of the Company.

Further, the Subsidiary Company has paid total fees of Rs. 35,000 (Rupees Thirty Five Thousand Only) to Statutory Auditor of the Subsidiary Company for financial year 2021-2022 for all services.

## **14. 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) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V are not applicable on the Company. Hence on 10th July, 2021 your Directors intimated to Stock exchange regarding non applicability of above corporate governance provisions. However your Company has voluntarily followed Corporate Governance Practice as far as possible.

## **15. 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, 2022 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 as **Annexure X** to this Report.

**16. 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 <http://www.pacetronix.com/investor-corner/policies/>. 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**

- 17.** The Company has not made any preferential allotment or qualified institutions placement during the year under review and therefore, disclosure of details of utilization of funds raised through such sources is not applicable on the Company.

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

Date: 21/07/2022

Place: Pithampur

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

**Akash Sethi**  
Joint Managing Director  
(DIN: 08176396)



## **ANNEXURE-VIII**

### **CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

**To the Members of  
Shree Pacetronix Limited**

Plot No. 15, Sector-II, Industrial Area,  
Pithampur, District Dhar,  
Madhya Pradesh, 454775

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, 2022 as specified in Regulations 17 to 27 and Clause (b) to (i) and (t) 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"] for the period from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

As per Regulation 15 of SEBI (LODR) Regulations, 2015 the corporate governance provisions as specified above are not applicable on the Company and the Company intimated to Stock exchange on 10<sup>th</sup> July, 2021 regarding non-applicability of specified corporate governance provisions for the financial year 2021-2022. However, this certificate is presented to have more transparency and disclosures.

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.

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 good Corporate Governance practices as stipulated in SEBI (LODR) Regulations, 2015 as far as possible.

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.

Place: Indore

Date: 21<sup>st</sup> July 2022

Signature: \_\_\_\_\_

**Shraddha Jain**

**ACS No: 39488**

**C P No: 14717**

**UDIN: A039488D000666501**

**Peer Review Certificate No:1765\_2022**

## **ANNEXURE-IX**

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

#### **CAVEAT**

Shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management here in contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Shareholders are hence advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events, or otherwise.

#### **GLOBAL MARKET**

The medical devices industry in India consists of large multinationals as well as small and medium enterprises (SMEs) growing at an unprecedented scale.

The medical devices market in India has the potential to increase at a 37% CAGR and reach \$50 bn by 2025. The current market size of the medical devices industry in India is estimated at nearly \$11 bn.

According to the World Health Organization, an estimated 17.9 million people die due to cardiovascular diseases worldwide, each year. This represents 31% of global deaths, which are majorly due to heart attack and stroke. Thus, the growing burden of cardiovascular diseases globally, along with the technological advancements in the development of novel pacemakers, is expected to drive the cardiac pacemakers market growth over the forecast period.

Furthermore, Indian pacemaker market was valued at USD 223.55 million in 2018 and is expected to attain USD 437.56 million by 2026, at a CAGR of 8.9%.

#### **GROWTH DRIVERS / OPPORTUNITIES**

The Company is one among the Corporates which is operating in global market for Pacemaker. Pacemakers are medical devices that are used to impart electrical pulses to the heart, so as to ensure normal heart rate. Pacemakers are used to treat patients who are suffering from heart conditions, such as heart failure and arrhythmias. These devices are implanted under patient's chest by cardiologist to deal with various indications and used for the treatment of heart medical complications/conditions.

The cardiac pacemaker market is being aided by the growing pacemaker market, which reached a volume of about 1.27 million units in 2020. The pacemaker industry is further expected to grow at a CAGR of 2% in the forecast period of 2022-2027 to reach a volume of approximately 1.44 million units by 2026.

Cardiac Pacemaker Market in India is expected to grow at a healthy rate as people are becoming more aware and cardiac pacemakers are also becoming more user friendly with added features. Also, cardiac pacemakers have become more affordable helping the market to grow even further.

The Pacemaker market is driven by the factors, such as the increase in the prevalence of heart disease, changing demographics i.e. as more people reach close to sixty years of age they are likely to develop some heart complications thus increasing the demand for cardiac pacemakers, technological developments in pacemakers that minimize the chances of heart failure, and improved efficiency of devices. Additionally, assistance from government bodies, favorable reimbursement, increased government expenditure for research and development, is expected to enhance the market potential in several countries. Therefore, such initiatives from the government are expected to help the market and the patients in their treatment which will drive the Pacemakers market growth also.

Further, compared to other western countries penetration of cardiac pacemaker is less in India-hence, providing ample opportunities for growth for the manufacturers.

The Government of India allocated Rs. 86,200 crores (US\$ 11.3 billion) as a budget for the pharmaceutical and healthcare sector under the Union Budget 2022-2023. 'Atma Nirbhar' Bharat mission is providing an impetus to India's vision of becoming a global manufacturing hub for medical devices. Recent initiatives for instance, The **Production Linked Incentive Scheme (PLI)** and **Promotion of Medical Devices Parks Scheme** are a testimony to this.

#### **RESTRAINTS, THREATS, RISK AND CONCERNS:**

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 could hinder the growth of the market.

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.

#### **Impact of COVID-19 in the industry**

The COVID-19 pandemic had severely affected patients suffering from cardiovascular disease and has led to a slowdown in the growth of the cardiovascular market. The spread of COVID-19 had triggered a humongous economic impact on the healthcare and medical device industry. Also, Due to the high rate of infection and the lack of treatment, many countries are suffering and continue to carry a heavy burden on both their economies and health care systems. Many countries had previously closed down and stopped trading with other countries, using travel restrictions, etc., which has led to a slowdown in the markets for large companies around the world.

However, COVID-19 has also changed the scenario of doing business. It has opened massive opportunities for the healthcare sector in tele-consultation, AI-based diagnostics and remote healthcare management. The Healthcare sector has become more focused on innovation and technology over the past two years of change. 80 per cent of healthcare systems are aiming to increase their investment in digital healthcare tools in the coming five years.

**RISK FACTORS:**

Risks associated with pacemaker system implant include, but are not limited to, infection at the surgical site and/or sensitivity to the device material, failure to deliver on time due to various factors.

Though it is not possible to completely eliminate various risks associated with the business of the Company, efforts are made to minimize the impact of such risks on the operations of the Company. The Company has put in place various internal controls for different activities so as to minimize the impact of various risks.

The following broad categories of risks to the business objectives are:-

**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.

**4. New product risk:**

New product development and launch involves substantial expenditure, which may not be recovered due to several factors including development uncertainties, increased competition, regulatory delays lower than anticipated price realizations, delay in market launch and marketing failure.

In highly regulated business, the requirement to obtain regulatory approval based on a product's safety, efficacy and quality before it can be marketed for an indication in a particular country, as well as to maintain and comply with licenses and other regulations relating to its manufacture and marketing, are particularly important. The submission of an application to regulatory authorities (which vary, with different requirements, in each region or country) may or may not lead to the grant of marketing approval.

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

The Company is engaged in only one segment i.e. manufacturing of pacemakers. Company has generated revenue of Rs. 902.60 Lacs during the financial year. However, the Company is continuously striving to improve its operational functionality and spread its geographical operational area.

**OUTLOOK**

The global pacemakers market was worth USD 4.4 Billion in the year 2021. The market is estimated to grow at a CAGR of 3.4% from 2022 to 2030 to reach USD 5.94 billion by 2030. The global pacemakers market is being driven by an aging population and rising incidences of cardiac ailments, as well as technological advancements in the healthcare sector. Furthermore, the government is shaping the global pacemakers sector by taking fruitful steps and increasing reimbursement policies on a global scale.

Currently, Majority of the players operating in the Indian market are foreign companies. Stiff competition exists among these players. Your Company is looking forward to cover major Indian market in coming years. Further, the Company is serving to other Countries also and panning to reach far beyond Indian boundaries. This will also help our nation to save crucial foreign exchange.

Your 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.

We have already reached a milestone of over 1,00,000 implants in India and beyond. This has been truly possible through the continued commitment to Research and Development and a vision to serve our people.

The Prime Minister's 'vocal for local' mantra has also brought out the significance for our local brands to have a global presence. India is the biggest and the fastest-growing market in the world for the majority of the product categories. With a more than 30 years of experience, we continue to aspire with great zeal and vigour to realize our PM's mission of "Make in India" and "Self Reliance".

The Government of India is taking supportive measures such as promoting indigenous manufacturing of high-tech medical devices, production-linked incentive schemes (PLIs) on medical devices, boosting new medical devices park, etc., to boost overall growth of the domestic medical devices market in India. In February 2021, a production-linked incentive (PLI) scheme was announced with an outlay of Rs. 3,420 crore (US\$ 468.78 million) for FY21-FY28 for promotion of domestic manufacturing of medical devices.

### **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 Audit Committee of the Company regularly reviews the reports of the internal auditor and recommends actions for further improvement of the internal controls. 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 2021-22, the Company has generated operational revenue of Rs. 902.60 Lacs during the financial year against the revenue of Rs. 755.95 Lacs in the Previous Financial Year. The Company's has earned a profit of Rs. 65.20 Lacs as compared to profit of Rs. 18.35 Lacs in previous Financial Year. The overall performance of the Company in the current year is increased as compared to 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 31<sup>st</sup> March, 2022, there were 65 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.

During this Global COVID-19 Pandemic, the Company is taking utmost care of its employees and work force like sanitisation, social distancing, mandatory wearing of facemask and hand gloves, safe commuting facility, thermal check at the gate, maintaining proper hygiene.

### **SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Details of significant changes (i.e. change of 25% or more as compared to immediately previous financial year) in key financial ratios, along with detailed explanations are as follows:

<b>S. No.</b>	<b>Particulars</b>	<b>Ratio in F.Y. 2021-2022</b>	<b>Ratio in F.Y. 2020-2021</b>	<b>% of change</b>
1.	<b>Debtors Turnover Ratio</b>	1.96	1.91	Increase by 2.56%
2.	<b>Inventory Turnover Ratio</b>	3.56	2.80	Increase by 26.98%
3.	<b>Interest Coverage Ratio</b>	4.11	1.92	Increase by 114.12%
4.	<b>Current Ratio</b>	1.71	1.64	Increase by 4.28%
5.	<b>Debt Equity Ratio</b>	0.84	0.81	Increase by 3.69%
6.	<b>Operating Profit Margin</b>	12.96%	8.59%	Increase by 50.82%
7.	<b>Net Profit Margin</b>	7.17%	2.41%	Increase by 197.57%

### **CHANGES IN RETURN ON NETWORTH**

Return on net worth for FY 2021-2022 is 10.48% whereas return on net worth for FY 2020-2021 was 3.16%. Return on net worth is higher for the year ended 31<sup>st</sup> March, 2022 due to increase in the profit after tax as compared to previous year.

### **DISCLOSURE IN ACCOUNTING TREATMENT**

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

For and on behalf of the Board of  
Shree Pacetronix Limited

Date: 21/07/2022

Place: Pithampur

Atul Kumar Sethi  
Managing Director  
(DIN:00245685)

Akash Sethi  
Joint Managing Director  
(DIN: 08176396)



## ANNEXURE-X

### CERTIFICATE

**[Pursuant to Regulation 34(3) and sub-clause (i) of clause (10) of Para 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 Para 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](http://www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on March 31<sup>st</sup> 2022, have 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.

Sr. No.	Name of Director	DIN	Nature/ Category of Directorship	Date of Appointment in the Company
1.	Atul Kumar Sethi	00245685	Managing Director	11/01/1988
2.	Amita Sethi*	00245722	Wholetime Director	01/12/2010
3.	Vikas Gokhale*	05193393	Wholetime Director	30/01/2012
4.	Akash Sethi	08176396	Joint Managing Director	14/08/2018
5.	Sushil Kumar Patni	00245754	Independent Director	30/04/2002
6.	Rajesh Kumar Bhale	01933024	Independent Director	14/08/2018
7.	Mahesh Purohit	07560407	Independent Director	14/08/2018
8.	Varun Rawat	08203524	Independent Director	14/08/2018
9.	Manali Tongia	09542172	Independent Director	24/03/2022

(\*) resigned from the post of Whole time Director of the company w.e.f. March 28, 2022.

Ensuring eligibility for the 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: 21<sup>st</sup> July 2022

Signature: \_\_\_\_\_

Shraddha Jain

ACS No: 39488; C P No: 14717

UDIN: A039488D000666532

Peer Review Certificate No:1765\_2022

**Independent Auditors' Report on Standalone Financial Statements****To the Members of Shree Pacetronix Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Shree Pacetronix Limited (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at 31 March 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone 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 31 March 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 standalone financial statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters ('KAM') 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.

**Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

**Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

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

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report is in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is

disqualified as on 31 March 2022 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 controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (B) 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:
  - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements.
  - b) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amount which required to be transferred to the Investor Education and Protection Fund by the Company.
  - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
    - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
  - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) No dividend declared or paid during the year by the Company.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For: S.R. Naredi & Co.  
Chartered Accountants  
Registration No. 002818C  
UDIN: 22072014AMROMZ7109

Place: Indore  
Date : May 30, 2022

CA S.R. Naredi  
Proprietor  
Membership No. 072014



**Annexure A to the Independent Auditor's report on the standalone financial statements of Shree Pacetronix Limited for the year ended 31 March 2022**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.  
  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such 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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year except guarantee given on behalf of subsidiary. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries.  
  
(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that in the case of loans given, the terms and conditions of the loans given are, prima facie, not prejudicial to the interest

of the Company.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. Further, investments made and guarantees provided in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year. Since effective 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable except -

Name of Statute	Amount
MP Professional Tax Act, 1995	169388/-

MP Professional Tax Act, 1995	5000/-
-------------------------------	--------

- (g) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following-

Name of the Statute	Nature of the Dues	Amount	Period	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales Tax	76923/-	A.Y. 2014-15	Joint Commissioner of State Tax
Value Added Tax Act	Value added Tax	557602/-	A.Y. 2014-15	State Tax Additional Commissioner (Appeal)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the term loans taken during the year have been applied for the purposes for which those were obtained.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that funds raised on short-term basis have not been utilized for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed

by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.  
  
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not received whistle blower complaints during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
  
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and clause 3(xvi)(b) of the Order is not applicable.  
  
(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.  
  
(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Companies Act, 2013 are not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For: S.R. Naredi & Co.  
Chartered Accountants  
Registration No. 002818C  
UDIN: 22072014AMROMZ7109

Place: Indore  
Date : May 30, 2022

CA S.R. Naredi  
Proprietor  
Membership No. 072014

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Shree Pacetronix Limited for the year ended 31 March 2022****Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Shree Pacetronix Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 with reference to standalone financial statements.

**Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone



financial statements include 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 standalone 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 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 standalone financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For: S.R. Naredi & Co.  
Chartered Accountants  
Registration No. 002818C  
UDIN: 22072014AMROMZ7109

Place: Indore  
Date : May 30, 2022

CA S.R. Naredi  
Proprietor  
Membership No. 072014

### Balance Sheet as at March 31, 2022

(In INR Rs.)

Particulars	Note	As on March 31st, 2022	As on March 31st, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	2,46,21,268	2,59,76,517
Intangible assets	2.2	4,93,728	5,00,078
Financial assets			
- Investments	3	80,00,000	80,00,000
- Other Financial Assets	4	14,69,721	9,69,807
Deferred tax assets (Net)	5	20,63,440	17,83,590
<b>Total Non current assets</b>		<b>3,66,48,157</b>	<b>3,72,29,992</b>
<b>Current assets</b>			
Inventories	6	1,66,16,122	1,95,50,947
Financial assets			
- Trade receivables	7	5,19,02,169	4,02,56,521
- Cash and cash equivalents	8	79,31,579	69,23,239
- Loans	9	92,746	23,110
- Other Financial Assets	10	2,34,639	4,66,440
Other current assets	11	70,70,793	24,99,071
<b>Total current assets</b>		<b>8,38,48,047</b>	<b>6,97,19,328</b>
<b>TOTAL ASSETS</b>		<b>12,04,96,204</b>	<b>10,69,49,320</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	3,59,94,000	3,59,94,000
Other equity	13	2,94,96,798	2,29,75,819
<b>Total Equity</b>		<b>6,54,90,798</b>	<b>5,89,69,819</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	14	56,17,588	51,57,747
- Other financial liabilities	15	3,60,000	3,60,000
<b>Total Non-current Liabilities</b>		<b>59,77,588</b>	<b>55,17,747</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	16	2,31,42,851	2,21,72,470
- Trade payables	17		
A) total outstanding dues of micro enterprises and small enterprises		3,20,614	2,23,196
B) total outstanding dues of creditors other than micro enterprises and small enterprises		11,92,067	32,19,793
- Other financial liabilities	18	46,49,374	48,07,327
Other current liabilities	19	1,24,94,250	68,83,806
Provisions	20	46,48,662	38,05,162
Income tax liabilities (net)	21	25,80,000	13,50,000
<b>Total Current Liabilities</b>		<b>4,90,27,818</b>	<b>4,24,61,754</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,04,96,204</b>	<b>10,69,49,320</b>
Significant Accounting Policies	1		
The accompanying notes from an Integral part of the to the financial statements	2 to 37		

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022

### Statement of Profit and Loss Year Ended March 31, 2022

(In INR Rs.)			
Particulars	Not e	As on March 31st, 2022	As on March 31st, 2021
Revenue from operations	22	9,02,60,423	7,55,95,238
Other income	23	6,70,681	4,80,682
<b>Total Income</b>		<b>9,09,31,104</b>	<b>7,60,75,920</b>
<b>Expenses</b>			
Cost of materials consumed	24	3,01,68,879	2,63,71,265
Changes in inventories of finished goods, work in progress and stock-in-trade	25	10,43,226	(73,582)
Employee benefit expense	26	2,32,13,177	1,98,59,616
Finance costs	27	28,44,457	33,88,174
Depreciation and amortisation expenses	2	49,75,179	50,94,470
Other expenses	28	1,98,36,693	1,83,32,832
<b>Total expenses</b>		<b>8,20,81,611</b>	<b>7,29,72,773</b>
<b>Profit/ (loss) before tax</b>		<b>88,49,493</b>	<b>31,03,146</b>
<b>Tax expense</b>			
Current tax		26,08,364	16,03,665
Deferred tax		(2,79,850)	(3,35,800)
<b>Profit/ (loss) for the period (after Tax)</b>		<b>65,20,979</b>	<b>18,35,281</b>
<b>Earnings per equity share of face value of 10 each</b>			
a) Basic		1.81	0.51
b) Diluted		1.81	0.51
Significant Accounting Policies	1		
The accompanying notes from an Integral part of the to the financial statements	2 to 37		

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022

**Statement of changes in equity for the year ended 31st March,2022**
**A. Equity Share Capital**
**1) Current Reporting Period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3599400	-	-	-	35,99,400

**2) Previous Reporting Period**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3599400	-	-	-	35,99,400

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022

**B. Other Equity**
**1) Current Reporting Period**

	Reserves and Surplus				
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other items of other Comprehensive Income	Total
Balance at the beginning of the current reporting period	15,00,000	57,86,108	1,56,89,711	-	2,29,75,819
Changes in accounting policy/prior period errors	-	-	(6,66,955)	-	6,66,955
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	71,87,934	-	71,87,934
Balance at the end of the current reporting period	15,00,000	57,86,108	2,22,10,690	-	2,94,96,798

**2) Previous Reporting Period**

	Reserves and Surplus				
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other items of other Comprehensive Income	Total
Balance at the beginning of the current reporting period	15,00,000	57,86,108	1,38,54,430	-	2,11,40,538
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	18,35,281	-	18,35,281
Balance at the end of the current reporting period	15,00,000	57,86,108	1,56,89,711	-	2,29,75,819

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022

### Cash Flow Statement as at March 31, 2022

(In INR Rs.)

Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	88,49,493	31,03,146
Adjusted for:		
Depreciation and Amortisation Expense	49,75,179	50,94,470
Interest Income	(4,01,053)	(2,55,241)
Interest paid	28,44,457	33,88,174
Profit on sale of fixed assets	(2,50,542)	(59,727)
	<b>71,68,041</b>	<b>81,67,676</b>
Operating Profit before Working Capital Changes	1,60,17,534	1,12,70,822
Adjusted for:		
Trade & other Receivables	(1,60,55,204)	99,131
Inventories	29,34,825	4,22,936
Trade & Other Payables	43,65,683	(1,25,678)
	<b>(87,54,696)</b>	<b>3,96,389</b>
Cash Generated from Operations	72,62,838	1,16,67,210
Taxes Paid	(13,78,364)	(17,53,665)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>58,84,474</b>	<b>99,13,545</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash flow from Other financial assets	(4,99,914)	(1,34,291)
Sale of Fixed Assets	6,50,000	5,90,000
Purchase of Fixed Assets	(40,13,038)	(66,67,915)
Interest Income	4,01,053	2,55,241
Security Deposit from Customer	-	1,10,000
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(34,61,899)</b>	<b>(58,46,965)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	4,59,841	24,69,836
Proceeds from Short Term Borrowings (Net)	9,70,381	(5,87,050)
Interest Paid	(28,44,457)	(33,88,174)
<b>NET CASH RECEIVED/ (USED) IN FINANCING ACTIVITIES</b>	<b>(14,14,236)</b>	<b>(15,05,388)</b>
Net Increase / Decrease (-) in Cash and Cash Equivalents	10,08,339	25,61,193
Opening Balance of Cash and Cash Equivalents	69,23,239	43,62,046
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>79,31,578</b>	<b>69,23,239</b>

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing  
Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022



**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022****1) Corporate information**

Shree Pacetronix Limited ("the Company") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The registered office of the company is located at Plot no. 15, Sector – II, Pithampur, Dist. Dhar, Madhya Pradesh, 454775.

The Company is mainly engaged in the business of Manufacturing of Pacemaker.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2022 and authorized for issue on May 30, 2022.

**2) Statement of compliance**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

**3) Basis of preparation**

These standalone financial statements have been prepared on historical cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. The Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These standalone financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

The significant accounting policies used in preparation of the standalone financial statements have been discussed below.

**4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a. Use of estimates and judgments**

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

**b. Revenue recognition**

Revenue is measured at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount, rebates or taxes. The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

Revenues from sales of goods are recognized upon transfer of control of promised goods to customer, which are generally on dispatch of goods and the customer has accepted the products in accordance with the agreed terms. There is no continuing managerial involvement with the goods and the Company retains no effective control of goods transferred to a decree usually associated with ownership. Revenue from sales of goods is based on the price quoted in the market or price specified in the sales contracts.

**c. Other income**

Other Income is comprised primarily of interest income. Interest income is recognized on accrual basis.

**d. Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price net of trade discounts and rebates, non-refundable duties and taxes, any directly attributable cost of bringing the asset to its working condition for its intended use. Cost also includes borrowing cost directly attributable to acquisition / construction of a qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets is capitalized only if such expenditure results into an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Capital work-in-progress comprises the cost of property, plant and equipment that are yet not ready for their intended use at the balance sheet date. The depreciable amount of a

depreciable fixed asset is allocated on a systematic basis to each accounting period over the useful life of the asset. Management's estimate of useful life, which is duly supported by technical evidence, is as stipulated in Schedule II to the Companies Act, 2013. The useful life is for the whole of the asset, except where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part ("component") is determined separately and the depreciable amount of the said component is depreciated is allocated on a systematic basis to each accounting period during the useful life of the asset.

Depreciation is provided for property, plant and equipment on a written down value basis so as to expense the cost less residual value over their estimated useful lives. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. Depreciation on assets sold, discarded, demolished or destroyed during the year is also calculated on a pro rata basis up to the date on which such asset has been sold, discarded, demolished or destroyed. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### **e. Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /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 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. Intangible assets are amortized on a Straight line basis over the period of its economic useful life. The summarizes the nature of intangibles and their estimated useful lives is as follows:

<b>Type of asset</b>	<b>Useful lives</b>
Technological Know – how	10 Years
Product Related Technology	10 years

#### **f. 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.

**g. Impairment of Non-Financial Assets**

The carrying amount of assets is reviewed at each balance sheet date whether there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**h. Inventories**

Inventories consist of a) Raw materials, sub-assemblies and components, b) Work-in-progress, and c) Finished goods. Inventories are carried at lower of cost and net realizable value. The cost of raw materials, sub-assemblies and components is determined on a weighted average basis. Cost of finished goods produced by the Company includes direct material and labor cost and a proportion of manufacturing overheads.

**i. Provisions**

Provisions are recognized 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. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

**j. Borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance cost in the statement of profit and loss.

**k. Impairment of investments in subsidiaries**

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

**l. Provision for income tax and deferred tax assets**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

#### **m. Provisions and contingent liabilities**

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are recognized when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the standalone financial statements.

#### **n. Employee benefits**

##### **Short term employee benefits**

All employee benefits which fall due wholly within twelve months after the end of the period in which employee renders the related service are classified as short-term employee benefits. Undiscounted value of short term benefits such as salaries, wages, bonus and ex-gratia are recognized in the period in which the employee renders the related service.

##### **Defined Contribution Plans:**

The Company's Employee's Provident Fund scheme and Employee's State Insurance Scheme are defined contribution plans. The Company's contribution payable under the schemes is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

##### **Defined benefit plan Gratuity**

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The defined benefit plan surplus or deficit on the balance sheet comprises the total for each of the fair value of plan assets less the present value of the defined liabilities.

##### **Gratuity and pension**

In accordance with Indian law, the Company deposited in a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested

employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

**o. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. No material lease has been recognized for the year ending March 31, 2022.

**p. Earnings Per Share**

Earnings per share (EPS) is calculated by dividing the net profit for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all diluted potential equity shares.

**q. Impact of COVID-19 (pandemic)**

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

**5). Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.



**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**6. Financial assets, financial liabilities and equity instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or have expired.

**Cash and cash equivalents**

The Company considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

**Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109, requires '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 recognized 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 analyzed.

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.

**Investment in subsidiaries**

Investment in subsidiaries is measured at cost less impairment loss, if any.

**Financial liabilities**

Financial liabilities are measured 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 are recognized.

**Derecognition of financial Liabilities**

The Company derecognizes financial liability (or a part of a financial liability) from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received net of direct issue cost.

**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**

**Yash Bagora**  
**Company Secretary**

### Notes to the financial statements as of and for the year ended March 31, 2022

#### 2.1 Property, Plant and Equipment

The change in the carrying value of property, plant and equipment for the year ended March 31, 2022 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machineries	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2021	193350	16765455	63592726	5815817	10392579	2037046	3686486	245392	102728851
Additions	0	0	953095	333244	2302624	174192	204883	0	3968038
Deletions	0	0	0	0	1812876	0	0	0	1812876
Gross Carrying value March 31, 2022	<b>193350</b>	<b>16765455</b>	<b>64545821</b>	<b>6149061</b>	<b>10882327</b>	<b>2211238</b>	<b>3891369</b>	<b>245392</b>	<b>104884013</b>
Accumulated depreciation April 1, 2021	0	11395996	49734855	3761171	6386679	1768080	3460161	245392	76752334
Depreciation for the year	0	513050	2491797	506592	1233170	102904	76316	0	4923829
Accumulated depreciation on deletions	0	0	0	0	1413418	0	0	0	1413418
Accumulated depreciation March 31, 2022	<b>0</b>	<b>11909046</b>	<b>52226652</b>	<b>4267763</b>	<b>6206431</b>	<b>1870984</b>	<b>3536477</b>	<b>245392</b>	<b>80262745</b>
Carrying value as at March 31, 2022	193350	4856409	12319169	1881298	4675896	340254	354892	0	24621268
Carrying value as at April 1, 2021	193350	5369459	13857871	2054646	4005900	268966	226325	0	25976517

The change in the carrying value of property, plant and equipment for the year ended March 31, 2021 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machineries	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2020	193350	14903735	60338181	4701088	10022696	1946026	3670978	245392	96021446
Additions	0	1861720	3254545	1114729	1472837	91020	15508	0	7810359
Deletions	0	0	0	0	1102954	0	0	0	1102954
Gross Carrying value March 31, 2021	<b>193350</b>	<b>16765455</b>	<b>63592726</b>	<b>5815817</b>	<b>10392579</b>	<b>2037046</b>	<b>3686486</b>	<b>245392</b>	<b>102728851</b>
Accumulated depreciation April 1, 2020	0	11024145	47100861	3365648	5486046	1641913	3414130	245392	72278135
Depreciation for the year	0	371851	2633994	395523	1473314	126167	46031	0	5046880
Accumulated depreciation on deletions	0	0	0	0	572681	0	0	0	572681
Accumulated depreciation March 31, 2021	<b>0</b>	<b>11395996</b>	<b>49734855</b>	<b>3761171</b>	<b>6386679</b>	<b>1768080</b>	<b>3460161</b>	<b>245392</b>	<b>76752334</b>
Carrying value as at March 31, 2021	193350	5369459	13857871	2054646	4005900	268966	226325	0	25976517
Carrying value as at April 1, 2020	193350	3879590	13237320	1335440	4536650	304113	256848	0	23743311

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

Yash Bagora  
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**2.2 Intangible Assets**

The change in the carrying value of Intangible Assets for the year ended March 31, 2022 were as follow:

Particulars	Intangible Asset	Total
Gross Carrying value April 1, 2021	8560814	8560814
Additions	45000	45000
Deletions	0	0
Gross Carrying value March 31, 2022	<b>8605814</b>	<b>8605814</b>
Accumulated depreciation April 1, 2021	8060736	8060736
Depreciation for the year	51350	51350
Accumulated depreciation on deletions	0	0
Accumulated depreciation March 31, 2022	<b>8112086</b>	<b>8112086</b>
Carrying value as at March 31, 2022	493728	493728
Carrying value as at April 1, 2021	500078	500078

The change in the carrying value of Intangible Assets for the year ended March 31, 2021 were as follow:

Particulars	Intangible Asset	Total
Gross Carrying value April 1, 2020	8560814	8560814
Additions	0	0
Deletions	0	0
Gross Carrying value March 31, 2021	<b>8560814</b>	<b>8560814</b>
Accumulated depreciation April 1, 2020	8013146	8013146
Depreciation for the year	47590	47590
Accumulated depreciation on deletions	0	0
Accumulated depreciation March 31, 2021	<b>8060736</b>	<b>8060736</b>
Carrying value as at March 31, 2021	500078	500078
Carrying value as at April 1, 2020	547668	547668

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

Yash Bagora  
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

		(In INR Rs.)	
	Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>3</b>	<b>Non- current Investments</b>		
	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.	80,00,000	80,00,000
		<b>80,00,000</b>	<b>80,00,000</b>
	Fair value of shares of subsidiary company Shree Coratomic Ltd. As on 31.03.2022 is Rs. 8.31 per share.		
<b>4</b>	<b>Other financial assets</b>		
	(Unsecured, considered good )		
	Security and other deposits	14,69,721	9,69,807
		<b>14,69,721</b>	<b>9,69,807</b>
<b>5</b>	<b>Deferred tax assets (Net)</b>		
	The movement on the deferred tax account is as follows:		
	At the start of the year	17,83,590	14,47,790
	Charge to Statement of Profit and Loss	2,79,850	3,35,800
	At the end of year	<b>20,63,440</b>	<b>17,83,590</b>
	Component of Deferred tax assets/(liabilities)		
	Deferred tax assets in relation to:		
	Property, plant and equipment	10,13,380	8,50,530
	Provisions	10,50,060	9,33,060
	Total	<b>20,63,440</b>	<b>17,83,590</b>
<b>6</b>	<b>Inventories</b>		
	Finished goods	52,28,908	59,16,560
	Stock-in-process	29,44,770	33,00,344
	Raw materials	84,42,444	1,03,34,043
		<b>1,66,16,122</b>	<b>1,95,50,947</b>

For and on behalf of the Board of Directors

Aatul Kumar Sethi  
Managing Director  
DIN- 00245685

Aakash Sethi  
Joint Managing  
Director  
DIN-08176396

Ashok Atulkar  
Chief Financial  
Officer

Yash Bagora  
Company Secretary



### NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022

#### 7 Trade receivables

Trade receivables considered good -  
Unsecured

5,19,02,169	4,02,56,521
<b>5,19,02,169</b>	<b>4,02,56,521</b>

Trade receivables ageing schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	more than 3 years	Total
1) Undisputed Trade receivables – considered good	30719070	3502164	5237101	10223117	22,20,717	5,19,02,169
<b>Total</b>	<b>30719070</b>	<b>3502164</b>	<b>5237101</b>	<b>10223117</b>	<b>22,20,717</b>	<b>5,19,02,169</b>

Trade receivables ageing schedule as at 31.03.2021

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	more than 3 years	Total
1) Undisputed Trade receivables – considered good	19149436	5056170	11815420	1815055	24,20,440	4,02,56,521
<b>Total</b>	<b>19149436</b>	<b>5056170</b>	<b>11815420</b>	<b>1815055</b>	<b>24,20,440</b>	<b>4,02,56,521</b>

#### 8 Cash and cash Equivalents

Cash on hand  
Fixed Deposit with original maturity is less than 3 months

1,20,547	4,84,123
6,72,338	7,23,954
<b>7,92,885</b>	<b>12,08,077</b>

#### Bank Balances Other than Cash and Cash Equivalents

Fixed Deposits with original maturity of more than 3 months but balance maturity less than 12 months

71,38,694	57,15,162
<b>71,38,694</b>	<b>57,15,162</b>
<b>79,31,579</b>	<b>69,23,239</b>

For and on behalf of the Board of Directors

Aatul Kumar Sethi  
Managing Director  
DIN- 00245685

Aakash Sethi  
Joint Managing Director  
DIN-08176396

Ashok Atulkar  
Chief Financial Officer

Yash Bagora  
Company Secretary

### NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022

#### 9 Loans - Current

Advances to employees

92,746	23,110
<b>92,746</b>	<b># 23,110</b>

#### 10 Other Financial Assets

Accrued Interest on Fixed Deposit with Banks

2,34,639	4,66,440
<b>2,34,639</b>	<b>4,66,440</b>

#### 11 Other current assets

(Unsecured, considered good )

Advance to vendors  
Advances recoverable  
in cash or kind

63,28,077	18,57,268
5,92,065	6,18,439
1,50,651	23,364
<b>70,70,793</b>	<b>24,99,071</b>

TDS Receivable

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

Yash Bagora  
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

(In INR Rs.)		
Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>12 Share capital</b>		
<b>Authorised</b>		
50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
<b>Issued, subscribed and paid up</b>		
35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	<u>3,59,94,000</u>	<u>3,59,94,000</u>
	<b>3,59,94,000</b>	<b>3,59,94,000</b>

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

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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	-	No. of shares	-	No. of shares
Balance as at the beginning of the year		3599400		3599400
Add: Shares issued during the year		-		-
<b>Balance at the end of the year</b>		<b>3599400</b>		<b>3599400</b>

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

Particulars	Percentage holding	Percentage holding
Mr. Atul Kumar Sethi 705506 (Previous year: 705506) shares of Rs.10 each	19.60%	19.60%
Bio Pace Technology 598087 (Previous year: 598087) shares of Rs.10 each	16.62%	16.62%
Mathew Samul Kalarickal 423032 (Previous year: 423032) shares of Rs.10 each	11.75%	11.75%

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

Yash Bagora  
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**d) Shareholding of promoters**

Sr. No.	Promoters Name	No. of Shares	% of total Shares	% Change during the year
1	Atul Kumar Sethi	705506	19.60%	-
2	Amita Sethi	115074	3.20%	-
3	Ashish Sethi	39477	1.10%	-
4	Akash Sethi	12699	0.35%	-
<b>Total</b>		<b>872756</b>	<b>24.25%</b>	-

**13 Other Equity**
**Capital investment subsidy**

Balance as per last Financial Statements

15,00,000

15,00,000

Balance as at the end of the year

15,00,000

15,00,000

**Securities Premium**

Balance as per last Financial Statements

57,86,108

57,86,108

Add: Increase during the year

-

-

Balance as at the end of the year

57,86,108

57,86,108

**Surplus / (Deficit) in Statement of Profit and Loss**

Balance as per last Financial Statements

1,56,89,711

1,38,54,430

Profit/ (Loss) for the year

65,20,979

18,35,281

Balance at the end of the year

2,22,10,690

1,56,89,711

**2,94,96,798**
**2,29,75,819**

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

 Yash Bagora  
 Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	(In INR Rs.)	
	As at March 31st, 2022	As at March 31st, 2021
<b>14 Borrowings</b>		
<b><u>Term loan - Secured</u></b>		
<b><u>a) From Banks</u></b>		
HDFC Bank Ltd. (Car) Magnite	1,21,819	2,58,146
HDFC Bank Ltd. (Car) Innova	-	2,99,602
Bank of India	20,44,460	46,00,000
Bank of India	23,00,000	-
Bank of Baroda (Car) Innova	11,51,309	-
	<b><u>56,17,588</u></b>	<b><u>51,57,747</u></b>
<b>Nature of security:</b>		
<b><u>Secured loans</u></b>		
1 Term loans from HDFC Bank Ltd and Bank of Baroda are secured by hypothecation of vehicles.		
2 Demand loan under STAR GECL from Bank of India is secured by Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar and guaranteed by National Credit Gurantee Trustee Company (NCGTC).		
<b>Maturity profile of long term borrowings</b>		
<b><u>Secured loans</u></b>		
2022-23	-	31,19,245
2023-24	18,14,742	16,55,143
2024-25 and onwards	38,02,846	3,83,359
	<b><u>56,17,588</u></b>	<b><u>51,57,747</u></b>
<b>15 Other Long term Liabilities</b>		
Deposit from Customers	3,60,000	3,60,000
	<b><u>3,60,000</u></b>	<b><u>3,60,000</u></b>
<b>16 Borrowings - Short Term</b>		
a) Working Capital Loan - Secured		
From Bank of india	2,13,24,510	1,95,89,992
b) Current maturities of long term borrowings*	18,18,341	25,82,478
	<b><u>2,31,42,851</u></b>	<b><u>2,21,72,470</u></b>

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**17 Trade payables**

A) total outstanding dues of micro enterprises and small enterprises

3,20,614 2,23,196

B) total outstanding dues of creditors other than micro enterprises and small enterprises

11,92,067 32,19,793

**15,12,681**
**34,42,989**

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the MSME Act")

**Trade payables ageing schedule as at 31.03.2022**

S r. N o.	Particulars	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	MSME	320614	-	-	-	<b>3,20,614</b>
ii)	Others	1143763	48304	-	-	<b>11,92,067</b>
	Total	<b>1464377</b>	<b>48304</b>			<b>15,12,681</b>

**Trade payables ageing schedule as at 31.03.2021**

S r. N o.	Particulars	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	MSME	223196	-	-	-	<b>2,23,196</b>
ii)	Others	3211347	8446	-	-	<b>32,19,793</b>
	Total	<b>3434543</b>	<b>8446</b>			<b>34,42,989</b>

**18 Other financial liabilities**

Other payables

46,49,374

48,07,327

**46,49,374**
**48,07,327**

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

Yash Bagora  
Company Secretary

### NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022

<b>19 Other current liabilities</b>		
Statutory dues	10,06,741	5,13,862
Advance from customers	1,14,87,509	63,69,944
	<b><u>1,24,94,250</u></b>	<b><u>68,83,806</u></b>
<b>20 Short Term Provisions</b>		
Provision for Employee benefits	46,48,662	38,05,162
	<b><u>46,48,662</u></b>	<b><u>38,05,162</u></b>
<b>21 Income Tax Liabilities</b>		
Provision for income tax	25,80,000	13,50,000
	<b><u>25,80,000</u></b>	<b><u>13,50,000</u></b>
<b>22 Revenue from operations</b>		
Sale of products (Net of Taxes)	9,02,60,423	7,55,95,238
	<b><u>9,02,60,423</u></b>	<b><u>7,55,95,238</u></b>
<b>23 Other income</b>		
Interest	4,01,053	2,55,241
Profit on sale of fixed assets	2,50,542	59,727
Other Receipts	19,086	1,65,714
	<b><u>6,70,681</u></b>	<b><u>4,80,682</u></b>
<b>24 Cost of materials consumed</b>		
Inventory at the beginning of the year	1,03,34,043	1,08,30,561
Add: Purchases	2,82,77,280	2,58,74,747
Less: Inventory at the end of the year	84,42,444	1,03,34,043
	<b><u>3,01,68,879</u></b>	<b><u>2,63,71,265</u></b>

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

Yash Bagora  
Company Secretary



**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**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	59,16,560	59,75,870
Stock in process	33,00,344	31,67,452
	<u>92,16,904</u>	<u>91,43,322</u>

**Inventory at the end of the year (b)**

Finished goods	52,28,908	59,16,560
Stock in process	29,44,770	33,00,344
	<u>81,73,678</u>	<u>92,16,904</u>

**Increase in inventories (a) - (b)**

<u><b>10,43,226</b></u>	<u><b>(73,582)</b></u>
-------------------------	------------------------

**26 Employee benefits expense**

Salaries and wages	2,14,88,935	1,83,14,305
Contribution to provident and other funds	12,34,887	11,87,816
Staff welfare expenses	4,89,355	3,57,495
	<u><b>2,32,13,177</b></u>	<u><b>1,98,59,616</b></u>

**27 Finance costs**

Interest on term loan	5,81,661	8,66,403
Interest-others	20,97,130	23,37,259
Bank charges	1,65,666	1,84,512
	<u><b>28,44,457</b></u>	<u><b>33,88,174</b></u>

**28 Other expenses**
**Manufacturing expenses (a)**

Consumables	32,296	31,341
Exchange difference (net)	-	6,022
Freight inward	3,04,102	6,62,323
Insurance	3,91,533	1,10,005

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary

### NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022

Job Work & Labour Charges	5,46,760	3,92,047
Laboratory Expenses	2,21,887	2,89,530
Power, fuel and water	9,90,815	10,46,270
Repairs to Others	3,18,476	2,97,293
Repairs to buildings	16,86,299	5,84,933
Repairs to plant and equipments	4,04,153	5,85,016
	<b>48,96,321</b>	<b>40,04,780</b>

#### Selling and distribution expenses (b)

Advertisement expenses	1,38,894	1,70,856
Packing materials	4,53,270	4,92,303
Commission	4,37,834	7,59,000
Implantation Charges	2,00,400	8,784
Travelling expenses	37,99,303	30,20,271
Freight outward	1,77,009	1,74,920
Selling and business promotion expenses	10,76,903	10,65,502
Tender Expenses	28,113	32,301
	<b>63,11,726</b>	<b>57,23,937</b>

#### Establishment Expenses (c)

Auditor's remuneration	1,50,000	1,20,000
Conveyance	1,92,446	1,84,014
Courier and postage charges	81,512	67,294
Professional charges	19,77,085	26,12,037
Miscellaneous expenses	8,08,302	3,66,504
Printing and stationery	95,885	40,137
Rates and taxes	5,18,062	2,15,980
Rent	11,75,025	10,15,073
Telephone and mobile expenses	63,825	71,304
Vehicle running & Maintenance Expenses	12,53,584	11,51,047

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

R & D Expenses	23,12,921	23,29,025
Debit Balance Written off		4,00,700
Donation		31,000
	<b>86,28,646</b>	<b>86,04,115</b>
<b>(a)+(b)+(c)</b>	<b>1,98,36,693</b>	<b>1,83,32,832</b>
<b>29 Taxation</b>		
Income tax recognised in Statement of Profit and Loss		
Current tax	26,08,364	16,03,665
Deferred tax	(2,79,850)	(3,35,800)
<b>Total income tax expenses recognised in the current year</b>	<b>23,28,514</b>	<b>12,67,865</b>
<b>30 Earnings per share</b>		
Profit after tax (a)	65,20,979	18,35,281
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)]	1.81	0.51
Diluted [(a) / (b)]	1.81	0.51
<b>31 Contingent liabilities</b>		
(i) Corporate Guarantee	7000000	7000000
(ii) Bank Guarantee	2782404	2953623
The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary company (shree coratomic limited).		
<b>32 Payment to auditors</b>		
For statutory audit	1,25,000	1,00,000
For tax audit	25,000	20,000
<b>33 Commitment and Gurantees</b>		
<b>a) Capital commitments</b>	25,74,280	-
The Company is contractually committed (net of advances) Rs 2574280/- as on 31.03.2022 for purchase of Property, Plant and Equipment.		
<b>b)</b>	The Company has provided guarantees to third parties on behalf of its subsidiaries. The Company does not expect any outflow of resources in respect of this Guarantee.	

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**34 FINANCIAL RISK MANAGEMENT**
**Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, long-term loans, cash and cash equivalents.

The Company's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable.

The credit policy requires each new customer to be analyzed individually for credit worthiness before delivery and payment terms are offered.

Other receivables consist primarily of security deposits, loans to employees and other receivables. The risk of default is assessed as low.

The credit risk surrounding loans receivable is assessed as low risk.

Credit risk on cash and cash equivalents is assessed as low risk as the Company deposits cash surpluses with financial institutions of high quality and standing.

**Liquidity Risk**

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 March 2022 based on contractual undiscounted payments.

Particulars	Less than one year	1-2 Years	2-4 Years	>4 Years	Total
Trade Payable	14.64	0.48	0.00	0.00	15.12
Long Term borrowings (Including current maturities)	18.18	18.15	23.42	14.61	74.36
Short Term borrowings	213.25	0.00	0.00	0.00	213.25
Others	29.08	2.79	11.79	2.83	46.49

**Interest Rate Risk**

The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offers the best rates which enables the Company to maximize returns whilst minimizing risk.

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

Yash Bagora  
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**35 Segment reporting**
**A. Primary segment**

As the company's business activity falls within a single primary business segment i.e. "Life Saving Devices" hence there is no primary segments wise information to report as per Ind -108 "Segment Reporting".

**B. Secondary segment**

Particulars *	India	Rest of the world	Total
i) Segment revenue	8,81,82,300 (6,74,64,170)	20,78,123 (81,31,08)	9,02,60,423 (7,55,95,238)
ii) Carrying cost of segment assets	12,04,96,204 (10,69,49,320)	- -	12,04,96,204 (10,69,49,320)
iii) Addition to Fixed Assets	40,13,038 (78,10,359)	- -	40,13,038 (78,10,359)

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

**36 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	Rajesh Kumar Bhale	Director
Akash Sethi	Joint Managing Director	Mahesh Purohit	Director
Sushil Kumar Patni	Director	Varun Ravat	Director
Manali Tongia	Director		

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

Preena Salgiya	Wife of Joint Managing Director	Amita Sethi	Wife of Managing Director
----------------	---------------------------------	-------------	---------------------------

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	Yash Bagora Company Secretary
---	----------------------------------

**NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

Details of transactions and closing balances	As at March 31st, 2022	As at March 31st, 2021
<b>Shree Coratomic Ltd</b>		
Sale of Goods	26,37,600	9,15,091
Purchase of Goods	-	2,950
Closing Balance - Payable/(Receivable)	(1,96,34,364)	(1,02,86,551)
<b>Mr. Aul Kumar Sethi</b>		
Director Remuneration	27,60,000	25,20,000
Rent Paid	6,60,000	6,60,000
Closing Balance - Payable	4,531	71,982
<b>Mrs. Amita Sethi</b>		
Director Remuneration	6,00,000	6,00,000
Rent Paid	3,00,000	3,00,000
Closing Balance - Payable	4,701	3,359
<b>Mr. Vikas Gokhale</b>		
Director Remuneration	10,56,780	10,26,000
<b>Mr. Akash Sethi</b>		
Director Remuneration	12,00,000	12,00,000
Closing Balance - Payable	2,436	23,938
<b>Mrs. Preena Salgiya</b>		
Professional Charges	3,00,000	2,40,000
Closing Balance - Payable	25,000	20,000

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

As per our report of even date  
For: S.R. Naredi & Co.  
Firm Registration Number: 002818C  
Chartered Accountants

CA S.R. Naredi  
Proprietor  
Membership Number: 072014

Place: Indore  
Date: May 30, 2022

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	Yash Bagora Company Secretary
---	----------------------------------

**Independent Auditors' Report on Consolidated Financial Statements****To the Members of Shree Pacetronix Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the consolidated financial statements of Shree Pacetronix Limited (hereinafter referred to as "the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit, consolidated changes in equity and 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 Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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.



### **Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and 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 each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company 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 each Company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements 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 and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 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, no 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 financial statements, including the disclosures, and whether the consolidated 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 entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other Companies included in the consolidated 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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. A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that :
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 31 March 2022 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiary

which is incorporated in India, as on 31 March 2022, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 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 controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- B. With respect to the other matters to be included in the Auditors' 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:
- a. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - b. The Group did not have any long-term contracts including derivative contracts during the year ended 31 March 2022.
  - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31 March 2022.
  - d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
    - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
    - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:
    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
    - provide any guarantee, security or the like from or on behalf of the

**Ultimate Beneficiaries**

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d)(i) and (d)(ii) contain any material mis-statement.

e. No dividend declared or paid during the year by the Holding Company and its

Subsidiary company incorporated in India.

C. With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiary which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For: S.R. Naredi & Co.  
Chartered Accountants  
Registration No. 002818C  
UDIN : 22072014AMROZO5575

Place: Indore  
Date : May 30, 2022

CA S.R. Naredi  
Proprietor  
Membership No. 072014

**Annexure A to the Independent Auditors' Report on the consolidated financial statements of Shree Pacetronix Limited for the year ended 31 March 2022****Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Opinion**

In conjunction with our audit of the consolidated financial statements of Shree Pacetronix Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 the 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 (hereinafter referred to as "the Act").



**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 consolidated 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 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 that could have a material effect on the consolidated financial statements. Assets



**Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For: S.R. Naredi & Co.  
Chartered Accountants  
Registration No. 002818C  
UDIN : 22072014AMROZO5575

Place: Indore  
Date : May 30, 2022

CA S.R. Naredi  
Proprietor  
Membership No. 072014

### Consolidated Balance Sheet as at March 31, 2022

(In INR Rs.)

Particulars	Note	As at March 31st, 2022	As at March 31st, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2.1	2,46,57,886	2,60,13,293
Capital work-in-progress	2.2	1,65,01,068	1,64,48,424
Intangible assets	2.3	8,93,728	9,00,078
Financial assets			
- Other financial assets	3	20,00,562	15,00,648
Deferred tax assets (Net)	4	25,78,800	27,67,040
- Income Tax Assets (Net)	5	4,32,590	3,72,590
<b>Total Non current assets</b>		<b>4,70,64,634</b>	<b>4,80,02,073</b>
<b>Current assets</b>			
Inventories	6	1,66,16,122	1,95,50,947
Financial assets			
- Trade receivables	7	3,23,32,592	3,01,96,292
- Cash and cash equivalents	8	1,73,55,845	77,05,770
- Loans	9	1,45,646	76,010
- Other financial assets	10	2,44,333	5,69,000
Other current assets	11	80,32,380	36,91,320
<b>Total current assets</b>		<b>7,47,26,918</b>	<b>6,17,89,339</b>
<b>TOTAL ASSETS</b>		<b>12,17,91,552</b>	<b>10,97,91,412</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	3,59,94,000	3,59,94,000
Other equity	13	2,81,44,877	2,03,37,931
Non Controlling Interest		5,817	4,692
<b>Total Equity</b>		<b>6,41,44,694</b>	<b>5,63,36,623</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	14	58,67,588	68,07,748
- Other financial liabilities	15	3,60,000	3,60,000
<b>Total Non-current Liabilities</b>		<b>62,27,588</b>	<b>71,67,748</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	16	2,45,42,852	2,51,68,670
- Trade payables	17		
A) total outstanding dues of micro enterprises and small enterprises		3,20,614	2,23,196
B) total outstanding dues of creditors other than micro enterprises and small enterprises		11,92,067	32,77,372
- Other financial liabilities	18	55,62,324	55,62,436
Other current liabilities	19	1,25,12,751	69,00,206
Provisions	20	46,48,662	38,05,162
Income tax liabilities (net)	21	26,40,000	13,50,000
<b>Total Current Liabilities</b>		<b>5,14,19,270</b>	<b>4,62,87,041</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,17,91,552</b>	<b>10,97,91,412</b>

Significant Accounting Policies

The accompanying notes from an Integral part of the to the financial statements

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing  
Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022

### Consolidated Statement of Profit and Loss Year Ended March 31, 2022

(In INR Rs.)

Particulars	Note	As at March 31st, 2022	As at March 31st, 2021
Revenue from operations	22	9,23,05,622	7,55,95,238
Other income	23	7,21,417	5,43,378
<b>Total revenue</b>		<b>9,30,27,039</b>	<b>7,61,38,616</b>
<b>Expenses</b>			
Cost of materials consumed	24	3,01,68,879	2,63,71,266
Changes in inventories of finished goods, work in progress and stock-in-trade	25	10,43,226	(73,582)
Employee benefit expense	26	2,33,59,487	2,02,85,805
Finance cost	27	29,33,045	35,26,380
Depreciation and amortisation expense	2	49,75,337	50,94,696
Other expense	28	1,99,42,389	1,96,15,110
<b>Total expenses</b>		<b>8,24,22,363</b>	<b>7,48,19,672</b>
<b>Profit/ (loss) before tax</b>		<b>1,06,04,675</b>	<b>13,18,944</b>
Tax expense			
Current tax		26,08,364	16,04,230
Deferred tax		1,88,240	(8,15,210)
<b>Profit/ (loss) for the period of continuing operation</b>		<b>78,08,071</b>	<b>5,29,924</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>78,08,071</b>	<b>5,29,924</b>
<b>Profit for the year attributable to</b>			
Equity Share Holders of the Company		78,06,946	5,31,065
Non Controlling Interest		1,125	(1,141)
<b>Other Comprehensive Income for the year attributable to</b>			
Equity Share Holders of the Company		78,06,946	5,31,065
Non Controlling Interest		1,125	(1,141)
<b>Earnings per equity share of face value of 10 each</b>			
a) Basic		2.17	0.15
b) Diluted		2.17	0.15
Significant Accounting Policies	1		
The accompanying notes from an Integral part of the to the financial statements	2 to 39		

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing  
Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022

### Consolidated Statement of changes in equity for the year ended 31st March, 2022

#### A. Equity Share Capital

##### 1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3599400	-	-	-	35,99,400

##### 2) Previous Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
3599400	-	-	-	35,99,400

#### B. Other

##### Equity

##### 1) Current Reporting Period

	Reserves and Surplus				Total
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other items of other Comprehensive Income	
Balance at the beginning of the current reporting period	15,00,000	57,86,108	1,30,50,332	-	2,03,36,440
Changes in accounting policy/prior period errors	-	-	(6,66,955)	-	- 6,66,955
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	84,75,026	-	84,75,026
Balance at the end of the current reporting period	15,00,000	57,86,108	2,08,58,403	-	2,81,44,511

##### 2) Previous Reporting Period

	Reserves and Surplus				Total
	Capital Investment Subsidy	Security Premium Reserve	Retained Earnings	Other items of other Comprehensive Income	
Balance at the beginning of the current reporting period	15,00,000	57,86,108	1,25,20,408	-	1,98,06,516
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	-	-
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	5,29,924	-	5,29,924
Balance at the end of the current reporting period	15,00,000	57,86,108	1,30,50,332	-	2,03,36,440

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022

### Consolidated Cash Flow Statement as at March, 2022

(In INR Rs.)

Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss	1,06,04,675	13,18,944
Adjusted for:		
Depreciation and Amortisation Expense	49,75,337	50,94,696
Interest Income	(4,51,789)	(3,05,874)
Interest paid	29,33,045	35,26,380
Profit on sale of fixed assets	(2,50,542)	(59,727)
	<b>72,06,051</b>	<b>82,55,475</b>
Operating Profit before Working Capital Changes	1,78,10,726	95,74,419
Adjusted for:		
Trade & other Receivables	(62,82,329)	36,32,964
Inventories	29,34,825	4,22,936
Trade & Other Payables	44,68,046	(9,91,275)
	<b>11,20,542</b>	<b>30,64,625</b>
Cash Generated from Operations	1,89,31,268	1,26,39,044
Taxes Paid	(13,18,364)	(17,54,230)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,76,12,904</b>	<b>1,08,84,814</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash flow from Other financial assets	(4,99,914)	(1,19,066)
Sale of Fixed Assets	6,50,000	20,18,570
Purchase of Fixed Assets	(40,65,682)	(76,24,665)
Interest Income	4,51,789	3,05,874
Security Deposit from Customer	-	1,10,000
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(34,63,807)</b>	<b>(53,09,287)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	(9,40,160)	7,19,836
Proceeds from Short Term Borrowings (Net)	(6,25,818)	(3,14,308)
Interest Paid	(29,33,045)	(35,26,380)
<b>NET CASH RECEIVED/ (USED) IN FINANCING ACTIVITIES</b>	<b>(44,99,023)</b>	<b>(31,20,851)</b>
Net Increase / Decrease (-) in Cash and Cash Equivalents	96,50,075	24,54,677
Opening Balance of Cash and Cash Equivalents	77,05,770	52,51,093
Closing Balance of Cash and Cash Equivalents	<b>1,73,55,845</b>	<b>77,05,770</b>

As per our report of even date attached  
For: S.R. Naredi & Co.  
Chartered Accountants  
Firm Registration Number: 002818C

CA S.R. Naredi  
Proprietor  
Membership Number: 072014  
Place: Indore  
Date: May 30, 2022

For and on behalf of the Board of Directors

Atul Kumar Sethi  
Managing Director  
DIN- 00245685

Ashok Atulkar  
Chief Financial Officer  
Place: Pithampur

Akash Sethi  
Joint Managing  
Director  
DIN-08176396

Yash Bagora  
Company Secretary  
Date: May 30, 2022

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022****1) Corporate information**

Shree Pacetronix Limited ("the Company") and its subsidiaries (collectively together referred to as "the Group") is a listed public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange in India. The registered office of the company is located at Plot no. 15, Sector – II, Pithampur, Madhya Pradesh, 454775.

The Company is mainly engaged in the business of Manufacturing of Pacemaker.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2022 and authorised for issue on May 30, 2022.

**2) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

**3) Basis of consolidation**

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and all inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

**4) Basis of preparation**

These consolidated financial statements have been prepared on historical cost at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. The Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

These consolidated financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

The significant accounting policies used in preparation of the consolidated financial statements have been discussed below.

**5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a. Use of estimates and judgements**

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

**b. Revenue recognition**

The Group measured its revenue at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade discount or rebates. The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

Revenues from sales of goods are recognized upon transfer of control of promised goods to customer, which are generally on dispatch of goods and the customer has accepted the products in accordance with the agreed terms. There is no continuing managerial involvement with the goods and the Company retains no effective control of goods transferred to a decree usually associated with ownership. Revenue from sales of goods is based on the price quoted in the market or price specified in the sales contracts.



**c. Other income**

Other Income is comprised primarily of interest income. Interest income is recognized on accrual basis.

**d. Property, plant and equipment**

Property, plant and equipment of group are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price net of trade discounts and rebates, non-refundable duties and taxes, any directly attributable cost of bringing the asset to its working condition for its intended use. Cost also includes borrowing cost directly attributable to acquisition / construction of a qualifying asset up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets is capitalized only if such expenditure results into an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Capital work-in-progress comprises the cost of property, plant and equipment that are yet not ready for their intended use at the balance sheet date. The depreciable amount of a depreciable fixed asset is allocated on a systematic basis to each accounting period over the useful life of the asset. Management's estimate of useful life, which is duly supported by technical evidence, is as stipulated in Schedule II to the Companies Act, 2013. The useful life is for the whole of the asset, except where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part ("component") is determined separately and the depreciable amount of the said component is depreciated is allocated on a systematic basis to each accounting period during the useful life of the asset.

Depreciation is provided for property, plant and equipment on a written down value basis so as to expense the cost less residual value over their estimated useful lives. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. Depreciation on assets sold, discarded, demolished or destroyed during the year is also calculated on a pro rata basis up to the date on which such asset has been sold, discarded, demolished or destroyed. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**e. Intangible Assets**

Intangible Assets of Group are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /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 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. Intangible assets are amortized on a Straight Line basis over the period of its economic useful life. The summarizes the nature of intangibles and their estimated useful lives is as follows:

Type of asset	Useful lives
Technological Know - how	10 Years
Product Related Technology	10 years

**f. 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

**g. Impairment of Non-Financial Assets**

The carrying amount of assets is reviewed at each balance sheet date whether there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**h. Inventories**

Inventories consist of a) Raw materials, sub-assemblies and components) Work-in-progress, and c) Finished goods. Inventories are carried at lower of cost and net realisable value. The cost of raw materials, sub-assemblies and components is determined on a weighted average basis. Cost of finished goods produced by the Company includes direct material and labor cost and a proportion of manufacturing overheads.

**i. Provisions**

Provisions are recognized when the Group 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. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

**j. Borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or

premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included as finance cost in the statement of profit and loss.

**k. Provision for income tax and deferred tax assets**

The Group uses estimates and judgments based on the relevant rulings in the areas of allocation of revenue, costs, allowances, and disallowances which is exercised while determining the provision for income tax.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Accordingly, the Group exercises its judgment to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**l. Provisions and contingent liabilities**

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgments to assess contingent liabilities. Contingent liabilities are recognized when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

**m. Employee benefits**

**Short term employee benefits**

All employee benefits which fall due wholly within twelve months after the end of the period in which employee renders the related service are classified as short-term employee benefits. Undiscounted value of short term benefits such as salaries, wages, bonus and ex-gratia are recognized in the period in which the employee renders the related service.

**Defined Contribution Plans:**

The Company's Employee's Provident Fund scheme and Employee's State Insurance Scheme are defined contribution plans. The Company's contribution payable under the schemes is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

**Defined benefit plan Gratuity**

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The defined benefit plan surplus or deficit on the

balance sheet comprises the total for each of the fair value of plan assets less the present value of the defined liabilities.

**Gratuity and pension**

In accordance with Indian law, the Company deposited in a scheme of gratuity which is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

**n. Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. No material lease has been recognized for the year ending March 31, 2022.

**o. Earnings Per Share**

Earnings per share (EPS) is calculated by dividing the net profit for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all diluted potential equity shares.

**p. Impact of COVID-19 (pandemic)**

The Group has taken into account all the possible impacts of COVID-19 in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements owing to the nature and duration of COVID-19.

**6) Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered

Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**7) Business combinations**

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

**8) Financial assets, financial liabilities and equity instruments**

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.

**Cash and cash equivalents**

The Group considers all highly liquid investments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

**Impairment of financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired.

Ind AS 109, requires '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 recognized 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 analyzed. 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.

**Financial liabilities**

Financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities are measured 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 are recognized.

**Derecognition of financial Liabilities**

The Group derecognizes financial liability (or a part of a financial liability) from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received net of direct issue cost.

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

Yash Bagora  
Company Secretary



### Notes to the consolidated financial statements as of and for the year ended March 31, 2022

#### 2.1 Property, Plant and Equipment

The change in the carrying value of property, plant and equipment for the year ended March 31, 2022 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machineries	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2021	1,93,350	1,67,65,455	6,35,92,726	59,49,360	1,03,92,579	21,71,436	41,58,079	2,45,392	10,34,68,377
Additions	-	-	9,53,095	3,33,244	23,02,624	1,74,192	2,04,883	-	39,68,038
Deletions	-	-	-	-	18,12,876	-	-	-	18,12,876
Gross Carrying value March 31, 2022	1,93,350	1,67,65,455	6,45,45,821	62,82,604	1,08,82,327	23,45,628	43,62,962	2,45,392	10,56,23,539
Accumulated depreciation April 1, 2021	-	1,13,95,996	4,97,34,855	38,87,763	63,86,679	18,96,225	39,08,174	2,45,392	7,74,55,084
Depreciation for the year	-	5,13,050	24,91,797	5,06,750	12,33,170	1,02,904	76,316	-	49,23,987
Accumulated depreciation on deletions	-	-	-	-	14,13,418	-	-	-	14,13,418
Accumulated depreciation March 31, 2022	-	1,19,09,046	5,22,26,652	43,94,513	62,06,431	19,99,129	39,84,490	2,45,392	8,09,65,653
Carrying value as at March 31, 2022	1,93,350	48,56,409	1,23,19,169	18,88,091	46,75,896	3,46,499	3,78,472	-	2,46,57,886
Carrying value as at April 1, 2021	1,93,350	53,69,459	1,38,57,871	20,61,597	40,05,900	2,75,211	2,49,905	-	2,60,13,293

The change in the carrying value of property, plant and equipment for the year ended March 31, 2021 were as follow:

Particulars	Lease Hold Land	Buildings	Plant & Machineries	Furniture & Fixture	Vehicles	Office Equipments	Computers	Temporary Shed	Total
Gross Carrying value April 1, 2020	1,93,350	1,49,03,735	6,03,38,181	48,34,631	1,00,22,696	20,80,416	41,42,571	2,45,392	9,67,60,972
Additions	-	18,61,720	32,54,545	11,14,729	14,72,837	91,020	15,508	-	78,10,359
Deletions	-	-	-	-	11,02,954	-	-	-	11,02,954
Gross Carrying value March 31, 2021	1,93,350	1,67,65,455	6,35,92,726	59,49,360	1,03,92,579	21,71,436	41,58,079	2,45,392	10,34,68,377
Accumulated depreciation April 1, 2020	-	1,10,24,145	4,71,00,861	34,92,024	54,86,046	17,70,048	38,62,143	2,45,392	7,29,80,659
Depreciation for the year	-	3,71,851	26,33,994	3,95,739	14,73,314	1,26,177	46,031	-	50,47,106
Accumulated depreciation on deletions	-	-	-	-	5,72,681	-	-	-	5,72,681
Accumulated depreciation March 31, 2021	-	1,13,95,996	4,97,34,855	38,87,763	63,86,679	18,96,225	39,08,174	2,45,392	7,74,55,084
Carrying value as at March 31, 2021	1,93,350	53,69,459	1,38,57,871	20,61,597	40,05,900	2,75,211	2,49,905	-	2,60,13,293
Carrying value as at April 1, 2020	1,93,350	38,79,590	1,32,37,320	13,42,607	45,36,650	3,10,368	2,80,428	-	2,37,80,313

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

Yash Bagora  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**2.2 Capital work-in-progress**

The change in the carrying value of capital work in progress for the year ended March 31, 2022 were as follow:

Particulars	Capital Work in Progress	Total
Gross Carrying value April 1, 2021	1,64,48,424	1,64,48,424
Additions	52,644	52,644
Deletions	-	-
Gross Carrying value March 31, 2022	<b>1,65,01,068</b>	<b>1,65,01,068</b>
Accumulated depreciation April 1, 2021	-	-
Depreciation for the year	-	-
Accumulated depreciation on deletions	-	-
Accumulated depreciation March 31, 2022	-	-
Carrying value as at March 31, 2022	1,65,01,068	1,65,01,068
Carrying value as at April 1, 2021	1,64,48,424	1,64,48,424

**CWIP aging schedule for the year ended March 31, 2022**

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	52,644	9,56,750	74,22,216	80,69,458	1,65,01,068
Projects temporarily suspended	-	-	-	-	-

The change in the carrying value of capital work in progress for the year ended March 31, 2021 were as follow:

Particulars	Capital Work in Progress	Total
Gross Carrying value April 1, 2020	1,80,62,688	1,80,62,688
Additions	16,76,026	16,76,026
Deletions	32,90,290	32,90,290
Gross Carrying value March 31, 2021	<b>1,64,48,424</b>	<b>1,64,48,424</b>
Accumulated depreciation April 1, 2020	-	-
Depreciation for the year	-	-
Accumulated depreciation on deletions	-	-
Accumulated depreciation March 31, 2021	-	-
Carrying value as at March 31, 2021	1,64,48,424	1,64,48,424
Carrying value as at April 1, 2020	1,80,62,688	1,80,62,688

**CWIP aging schedule for the year ended March 31, 2021**

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	9,56,750	74,22,216	63,87,226	16,82,232	1,64,48,424
Projects temporarily suspended	-	-	-	-	-

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**2.3 Intangible Assets**
**The change in the carrying value of Intangible Assets for the year ended March 31, 2022 were as follow:**

Particulars	Intangible Asset	Total
Gross Carrying value April 1, 2021	1,65,60,814	85,60,814
Additions	45,000	-
Deletions	-	-
Gross Carrying value March 31, 2022	<b>1,66,05,814</b>	<b>85,60,814</b>
Accumulated depreciation April 1, 2021	1,56,60,736	1,56,60,736
Depreciation for the year	51,350	51,350
Accumulated depreciation on deletions	-	-
Accumulated depreciation March 31, 2022	<b>1,57,12,086</b>	<b>1,57,12,086</b>
Carrying value as at March 31, 2022	8,93,728	8,93,728
Carrying value as at April 1, 2021	9,00,078	9,00,078

**The change in the carrying value of Intangible Assets for the year ended March 31, 2021 were as follow:**

Particulars	Intangible Asset	Total
Gross Carrying value April 1, 2020	1,65,60,814	1,65,60,814
Additions	-	-
Deletions	-	-
Gross Carrying value March 31, 2021	<b>1,65,60,814</b>	<b>1,65,60,814</b>
Accumulated depreciation April 1, 2020	1,56,13,146	1,56,13,146
Depreciation for the year	47,590	47,590
Accumulated depreciation on deletions	-	-
Accumulated depreciation March 31, 2021	<b>1,56,60,736</b>	<b>1,56,60,736</b>
Carrying value as at March 31, 2021	9,00,078	9,00,078
Carrying value as at April 1, 2020	9,47,668	9,47,668

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

Yash Bagora  
Company Secretary

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022

Particulars	(In INR Rs.)	
	As at March 31st, 2022	As at March 31st, 2021
<b>3 Other financial assets</b>		
(Unsecured, considered good )		
Security and other deposits	20,00,562	15,00,648
	<b>20,00,562</b>	<b>15,00,648</b>
<b>4 Deferred tax assets (Net)</b>		
The movement on the deferred tax account is as follows:		
At the start of the year	27,67,040	19,51,830
Charge to Statement of Profit and Loss	(1,88,240)	8,15,210
<b>At the end of year</b>	<b>25,78,800</b>	<b>27,67,040</b>
<b>Component of Deferred tax assets/(liabilities)</b>		
Deferred tax assets in relation to:		
Property, plant and equipment	10,17,105	8,66,000
Provisions and carry forward losses	15,61,695	19,01,040
<b>Total</b>	<b>25,78,800</b>	<b>27,67,040</b>
<b>5 Income Tax Assets (Net)</b>		
MAT Receivable	4,32,590	3,72,590
	<b>4,32,590</b>	<b>3,72,590</b>
<b>6 Inventories</b>		
Finished goods	52,28,908	59,16,560
Stock-in-process	29,44,770	33,00,344
Raw materials	84,42,444	1,03,34,043
	<b>1,66,16,122</b>	<b>1,95,50,947</b>
<b>7 Trade receivables</b>		
Trade receivables considered good - Unsecured	3,23,32,592	3,01,96,292
	<b>3,23,32,592</b>	<b>3,01,96,292</b>

Trade receivables ageing schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	more than 3 years	Total
1) Undisputed Trade receivables – considered good	21601886	3289200	1538454	3648013	22,55,039	3,23,32,592
<b>Total</b>	<b>21601886</b>	<b>3289200</b>	<b>1538454</b>	<b>3648013</b>	<b>2255039</b>	<b>3,23,32,592</b>

Trade receivables ageing schedule as at 31.03.2021

Particulars	Outstanding for following periods from due date of payments					
	Less than 6 months	6 months to 1 years	1-2 years	2-3 years	more than 3 years	Total
1) Undisputed Trade receivables – considered good	18095979	2408030	6467172	770349	24,54,762	3,01,96,292
<b>Total</b>	<b>18095979</b>	<b>2408030</b>	<b>6467172</b>	<b>770349</b>	<b>2454762</b>	<b>3,01,96,292</b>

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

Yash Bagora  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	(In INR Rs.)	
	As at March 31st, 2022	As at March 31st, 2021
<b>8 Cash and cash Equivalents</b>		
Cash on hand	1,68,268	5,31,845
Balance with Bank of India Current Account	20,199	20,523
Balance with ICICI Bank Ltd	85,00,860	-
Fixed Deposit with original maturity is less than 3 months	6,72,338	7,23,954
	<b>93,61,665</b>	<b>12,76,322</b>
<b>Bank Balances Other than Cash and Cash Equivalents</b>		
Fixed Deposits with original maturity of more than 3 months but balance maturity less than 12 months	79,94,180	64,29,448
	<b>79,94,180</b>	<b>64,29,448</b>
	<b>1,73,55,845</b>	<b>77,05,770</b>
<b>9 Loans - Current</b>		
Loans and advances to employees	1,45,646	76,010
	<b>1,45,646</b>	<b>76,010</b>
<b>10 Other Financial Assets</b>		
Accrued Interest on Fixed Deposit with Banks	2,44,333	5,69,000
	<b>2,44,333</b>	<b>5,69,000</b>
<b>11 Other current assets</b> (Unsecured, considered good )		
Advance to vendors	63,28,077	20,56,118
Advances recoverable in cash or kind	15,53,652	16,08,062
TDS Receivables	1,50,651	27,140
	<b>80,32,380</b>	<b>36,91,320</b>

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

Yash Bagora  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

		(In INR Rs.)	
	Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>12</b>	<b>Share capital</b>		
	<b>Authorised</b>		
	50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each	50,000,000	50,000,000
	<b>Issued, subscribed and paid up</b>		
	35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up	35,994,000	35,994,000
		<b>35,994,000</b>	<b>35,994,000</b>

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

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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	No. of shares	No. of shares
Balance as at the beginning of the year	3,599,400	3,599,400
Add: Shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>3,599,400</b>	<b>3,599,400</b>

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

Particulars	Percentage holding	Percentage holding
Mr. Atul Kumar Sethi	19.60%	19.60%
705506 (Previous year: 705406) shares of Rs.10 each		
Bio Pace Technology	16.62%	16.62%
598087 (Previous year: 295432) shares of Rs.10 each		
Mathew Samul Kalarickal	11.75%	11.75%
423032 (Previous year: 421876) shares of Rs.10 each		

**(d) Share holding of promoters**

Sr. No.	Promoters Name	No. of Shares	% of total Shares	% Change during the year
1	Atul Kumar Sethi	705506	19.60%	-
2	Amita Sethi	115074	3.20%	-
3	Ashish Sethi	39477	1.10%	-
4	Akash Sethi	12699	0.35%	-
<b>Total</b>		<b>872756</b>	<b>24.25%</b>	<b>-</b>

**13 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	1,500,000	1,500,000

**Securities Premium**

Balance as per last Financial Statements	5,786,108	5,786,108
Add: Increase during the year	-	-
Balance as at the end of the year	5,786,108	5,786,108

**Surplus / (Deficit) in Statement of Profit and Loss**

Balance as per last Financial Statements	13,051,823	12,520,758
Profit/ (Loss) for the year	7,806,946	531,065
Balance at the end of the year	20,858,769	13,051,823
	<b>28,144,877</b>	<b>20,337,931</b>

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

(In INR Rs.)		
Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>14 Borrowings</b>		
<b><u>Term loan - Secured</u></b>		
<b><u>a) From Banks</u></b>		
HDFC Bank Ltd. (Car Magnite)	121,819	258,146
HDFC Bank Ltd. (Car Innova)	-	299,602
Bank of India	2,044,460	4,600,000
Bank of India	2,300,000	-
Technology Development Board	-	1,400,000
Bank of Baroda	1,151,309	-
<b><u>Term loan - Unsecured</u></b>		
<b>b) Loan from related parties</b>		
Loan from Directors	250,000	250,000
	<b>5,867,588</b>	<b>6,807,748</b>
<b>Nature of security:</b>		
<b><u>Secured loans</u></b>		
1 Term loans from HDFC Bank Ltd and Bank of Baroda are secured by hypothecation of vehicles.		
2 Demand loan under STAR GECL from Bank of India is secured by Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar and guaranteed by National Credit Gurantee Trustee Company (NCGTC).		
3 Term loan from Technology Development Board is secured by hypothecation of movable assets purchased under the TDB loan. 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 gurantee by M/s Shree Coratomic Ltd. and personal guarantee of Promotors/Director including mortgage of personally owned immovable properties.		
<b>Maturity profile of long term borrowings</b>		
<b><u>Secured loans</u></b>		
2022-23	-	3,119,245
2023-24	1,814,742	3,055,143
2024-25 and onwards	3,802,846	383,359
	<b>5,617,588</b>	<b>6,557,747</b>
<b><u>Unsecured loans</u></b>		
2023-24	250,000	250,000
	<b>250,000</b>	<b>250,000</b>
	<b>5,867,588</b>	<b>6,807,747</b>
<b>15 Other financial liabilities</b>		
Deposit from customers	360,000	360,000
	<b>360,000</b>	<b>360,000</b>

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

(In INR Rs.)

Particulars	As at March 31st, 2022	As at March 31st, 2021				
<b>16 Borrowings - Short Term</b>						
<b>a) Working capital loan - Secured</b>						
From Bank of india	21,324,510	19,589,992				
From ICICI Bank	-	896,200				
<b>b) Current maturities of long term borrowings*</b>	3,218,342	4,682,478				
	<b>24,542,852</b>	<b>25,168,670</b>				
* It includes loan from Technology Development Board, Bank of India, Bank of Baroda and HDFC Bank Ltd to be repayable within a period of one year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.						
<b>17 Trade payables</b>						
Sundry Creditor	1,512,681	3,500,568				
	<b>1,512,681</b>	<b>3,500,568</b>				
Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstandingdues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro,Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as “the MSMED Act”)						
Trade Payables ageing schedule as at 31.03.2022						
Sr.No.	Particulars	Outstanding for following periods from due date of payments				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	MSME	320614	-	-	-	320,614
ii)	Others	1143763	48304	-	-	1,192,067
	Total	1464377	48304			1,512,681
Trade Payables ageing schedule as at 31.03.2021						
Sr.No.	Particulars	Outstanding for following periods from due date of payments				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	MSME	223196	-	-	-	223,196
ii)	Others	3211347	35525	-	30,500	3,277,372
	Total	3434543	35525			3,500,568
<b>18 Other financial liabilities</b>						
Other payables		5,562,324	5,562,436			
		<b>5,562,324</b>	<b>5,562,436</b>			
<b>19 Other current liabilities</b>						
Statutory dues		1,025,242	530,262			
Advance from customers		11,487,509	6,369,944			
		<b>12,512,751</b>	<b>6,900,206</b>			
<b>20 Short Term Provisions</b>						
Provision for Employee benefits		4,648,662	3,805,162			
		<b>4,648,662</b>	<b>3,805,162</b>			
<b>21 Income Tax Liabilities</b>						
Provision for income tax		2,640,000	1,350,000			
		<b>2,640,000</b>	<b>1,350,000</b>			

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

Yash Bagora  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

(In INR Rs.)		
Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>22 Revenue from operations</b>		
Sale of products (Net of Taxes)	92,305,622	75,595,238
	<b>92,305,622</b>	<b>75,595,238</b>
<b>23 Other income</b>		
Interest	451,789	305,874
Profit on sale of fixed assets	250,542	59,727
Other Receipts	19,086	177,777
	<b>721,417</b>	<b>543,378</b>
<b>24 Cost of materials consumed</b>		
Inventory at the beginning of the year	10,334,043	10,830,561
Add: Purchases	28,277,280	25,874,747
Less: Inventory at the end of the year	8,442,444	10,334,043
	<b>30,168,879</b>	<b>26,371,266</b>
<b>25 Changes in inventories of finished goods and work-in-progress and stock-in-trade</b>		
<b>Inventory at the beginning of the year (a)</b>		
Finished goods	5,916,560	5,975,870
Stock in process	3,300,344	3,167,452
	9,216,904	9,143,322
<b>Inventory at the end of the year (b)</b>		
Finished goods	5,228,908	5,916,560
Stock in process	2,944,770	3,300,344
	8,173,678	9,216,904
<b>Increase in inventories (a) - (b)</b>	<b>1,043,226</b>	<b>(73,582)</b>
<b>26 Employee benefits expense</b>		
Salaries and wages	21,635,245	18,740,494
Contribution to provident and other funds	1,234,887	1,187,816
Staff welfare expenses	489,355	357,495
	<b>23,359,487</b>	<b>20,285,805</b>
<b>27 Finance costs</b>		
Interest on term loan	581,661	866,403
Interest-others	2,184,547	2,451,593
Bank charges	166,837	208,384
	<b>2,933,045</b>	<b>3,526,380</b>

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

Yash Bagora  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

(In INR Rs.)		
Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>28 Other expenses</b>		
<b>Manufacturing expenses (a)</b>		
Consumables	32,296	31,341
Exchange difference (net)	-	6,022
Freight inward	304,102	662,323
Insurance	391,533	110,005
Job Work & Labour Charges	546,760	392,047
Laboratory Expenses	221,887	289,530
Power, fuel and water	990,815	1,046,270
Repairs to Others	318,476	297,293
Repairs to buildings	1,686,299	584,933
Repairs to plant and equipments	404,153	585,016
	<b>4,896,321</b>	<b>4,004,780</b>
<b>Selling and distribution expenses (b)</b>		
Advertisement expenses	138,894	170,856
Packing materials	453,270	492,303
Commission	437,834	759,000
Implantation Charges	200,400	8,784
Travelling expenses	3,799,303	3,020,271
Freight outward	177,009	174,920
Selling and business promotion expenses	1,076,903	1,065,502
Tender Expenses	28,113	32,301
	<b>6,311,726</b>	<b>5,723,937</b>
<b>Establishment Expenses (c)</b>		
Auditor's remuneration	185,000	155,000
Conveyance	194,946	188,514
Courier and postage charges	81,512	67,294
Professional charges	2,041,451	2,686,837
Miscellaneous expenses	809,632	399,046
Printing and stationery	95,885	40,137
Rates and taxes	520,562	223,930
Rent	1,175,025	1,015,073
Telephone and mobile expenses	63,825	72,054
Vehicle running & Maintenance Expenses	1,253,584	1,151,047
R & D Expenses	2,312,921	2,329,025
Debit Balance Written off		1,527,435
Donation		31,000
	<b>8,734,342</b>	<b>9,886,392</b>
<b>(a)+(b)+(c)</b>	<b>19,942,389</b>	<b>19,615,110</b>

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

(In INR Rs.)

Particulars	As at March 31st, 2022	As at March 31st, 2021
<b>29 Taxation</b>		
Income tax recognised in Statement of Profit and Loss		
Current tax	2,608,364	1,604,230
Deferred tax	188,240	(815,210)
<b>Total income tax expenses recognised in the current year</b>	<b>2,796,604</b>	<b>789,020</b>
<b>30 Earnings per share</b>		
Profit after tax		
(a)	7,808,071	529,924
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)]	2.17	0.15
Diluted [(a) / (b)]	2.17	0.15
<b>31 Contingent liabilities</b>		
(i) Corporate Guarantee	7,000,000	7,000,000
(ii) Bank Guarantee	3,496,690	3,667,909
The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary company (shree coratomic limited).		
<b>32</b>	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%

**33 Additional information as required by under Schedule III to the Companies Act, 2013 of consolidated financial statements to Schedule III to the Act:**

Name of entity in the Group	Net assets (total assets minus total liabilities)		Share in profits or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or (loss)	Amount	As % of Consolidated OCI	Amount	As % of Consolidated TCI	Amount
<b>Holding Company</b> Shree Pacetronix Ltd.	71.49	458.56	99.99	78.07	0.00	0.00	99.99	78.07
<b>Subsidiaries</b> <b>Indian</b> Shree Coratomic Ltd.	28.51	182.89	0.01	0.01	0.00	0.00	0.01	0.01
<b>Total</b>	100.00	641.45	100.00	78.08	0.00	0.00	100.00	78.08

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

Yash Bagora  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**34 Payment to auditors**

For statutory audit	165,000	135,000
For tax audit	20,000	20,000

**35 Commitment and Gurantees**
**a Capital commitments**

2,574,280

-

The Company is contractually committed (net of advances) Rs 2574280/- as on 31.03.2022 for purchase of Property, Plant and Equipment.

**b** The Holding Company has provided guarantees to third parties on behalf of its subsidiaries. The Holding Company does not expect any outflow of resources in respect of this Guarantee.

**36 FINANCIAL RISK MANAGEMENT**
**Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, long-term loans, cash and cash equivalents.

The Company's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable.

The credit policy requires each new customer to be analyzed individually for credit worthiness before delivery and payment terms are offered.

Other receivables consist primarily of security deposits, loans to employees and other receivables. The risk of default is assessed as low.

The credit risk surrounding loans receivable is assessed as low risk.

Credit risk on cash and cash equivalents is assessed as low risk as the Company deposits cash surpluses with financial institutions of high quality and standing.

**Liquidity Risk**

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 March 2022 based on contractual undiscounted payments.

Particulars	Less than one year	1-2 Years	2-4 Years	>4 Years	Total
Trade Payable	14.64	0.48	0.00	0.00	15.12
Long Term borrowings (Including current maturities)	32.18	20.65	23.42	14.61	90.86
Short Term borrowings	213.25	0.00	0.00	0.00	213.25
Others	31.61	5.14	15.89	2.98	55.62

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

Yash Bagora  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**
**Interest Rate Risk**

The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offers the best rates which enables the Company to maximize returns whilst minimizing risk.

**37 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	8,81,82,300 (6,74,64,170)	20,78,123 (81,31,08)	9,02,60,423 (7,55,95,238)
ii) Carrying cost of segment assets	12,04,96,204 (10,69,49,320)	- -	12,04,96,204 (10,69,49,320)
iii) Addition to Fixed Assets	40,13,038 (78,10,359)	- -	40,13,038 (78,10,359)

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

**38 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 Statement present information about holding and its subsidiary as a single reporting enterprise 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	Rajesh Kumar Bhale	Director
Akash Sethi	Joint Managing Director	Mahesh Purohit	Director
Sushil Kumar Patni	Director	Varun Ravat	Director
Manali Tongia	Director	Ganesh Kumar Koppiseti	Director
Seetharamaiah			
Panchumarthi	Director	Vikas Gokhale	Director

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

Preena Salgiya	Wife of Joint Managing Director	Amita Sethi	Wife of Managing Director
----------------	---------------------------------	-------------	---------------------------

For and on behalf of the Board of Directors

Atul Kumar Sethi	Akash Sethi
Managing Director	Joint Managing Director
DIN- 00245685	DIN-08176396

Ashok Atulkar	Yash Bagora
Chief Financial Officer	Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2022**

Details of transactions and closing balances	As at March 31st, 2022	As at March 31st, 2021
<b>Mr. Aul Kumar Sethi</b>		
Director Remuneration	27,60,000	25,20,000
Rent Paid	6,60,000	6,60,000
Closing Balance - Payable	4,531	71,982
<b>Mrs. Amita Sethi</b>		
Director Remuneration	6,00,000	6,00,000
Rent Paid	3,00,000	3,00,000
Closing Balance - Payable	4,701	3,359
<b>Mr. Vikas Gokhale</b>		
Director Remuneration	10,56,780	10,26,000
<b>Mr. Akash Sethi</b>		
Director Remuneration	12,00,000	12,00,000
Loan taken / repaid	-	(1,250,000)
Closing Balance - Payable	2,52,436	2,73,938
<b>Mrs. Preena Salgiya</b>		
Professional Charges	3,00,000	2,40,000
Closing Balance - Payable	25,000	20,000
<b>Mr. Seetharamaiah Panchumarthy</b>		
Purchase of Goods	-	244900

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

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

Yash Bagora  
Company Secretary