

# **SHREE PACETRONIX LIMITED**

*Technology Serving Humanity*

*C. E. Approved Pacemakers*



**THIRTEENTH  
ANNUAL REPORT  
2000 - 2001**

**SHREE PACETRONIX LIMITED****ANNUAL REPORT**

<b>BOARD OF DIRECTORS</b>	:	Shri Atul Kumar Sethi,	Managing Director
		Smt. Amita Sethi,	Whole time Director
		Dr. Surendra Kumar Sethi	Director
		Shri N. K. Sethi	Director
<b>BANKER</b>	:	BANK OF INDIA	
		Santha Bazar, INDORE	
<b>AUDITORS</b>	:	M/s S. R. Naredi & Co.	
		Chartered Accountants	
		204, Manas Bhawan Extn. (New Wing)	
		11, R. N. T. Marg.	
<b>REGD. OFFICE &amp; FACTORY</b>		INDORE-452 001	
	:	Plot No. 15, Sector II,	
		Industrial Area	
		Pithampur, Dist. Dhar (M.P.) 454 775	

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**SHREE PACETRONIX LIMITED****ANNUAL REPORT****NOTICE**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of Shree Pacetronix Limited will be held at the registered office of the Company at plot No. 15, Sector II, Pithampur Dist. Dhar (M.P.) on Saturday, the 29th September, 2001 at 11.00 a.m. to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2001 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Amita Sethi who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the increase in the remuneration of Shri Atul K. Sethi, Managing Director from Rs. 15,000/- per month to Rs. 25,000/- per month w. e. f. 01-04-2001 for the remaining tenure of his appointment.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year during the term of office of Shri Atul K. Sethi, the remuneration aforesaid shall be the minimum remuneration. However, any excess over the limits of minimum remuneration prescribed under Schedule XIII to the Companies Act, 1956 shall be payable to Shri Atul K. Sethi with the approval of the Central Government.

RESOLVED FURTHER THAT Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the re-appointment of Smt. Amita Sethi, as the Whole Time Director of the Company for a period of 5 (five) years with effect from 01-04-2001 upon the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice.

RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year during the term of office of Smt. Amita Sethi, the remuneration aforesaid shall be the minimum remuneration. However, any excess over the limits of minimum remuneration prescribed under Schedule XIII to the Companies Act, 1956 shall be payable to Smt. Amita Sethi with the approval of the Central Government.

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RESOLVED FURTHER THAT Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

For and on behalf of the Board

**ATUL KUMAR SETHI**

Managing Director

Place : PITHAMPUR

Dated : 30th July, 2001

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxies in order to be valid and effective must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 24 September, 2001 to Saturday, the 29 September, 2001 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report with them for the meeting.
5. The Company has entered into an agreement with NSDL and CDSL for dematerialisation of its shares. The Members are requested to take the benefits of the same.

**EXPLANATORY STATEMENT**

( Pursuant to Section 173 (2) of the Companies Act, 1956 )

**ITEM NO. 4**

Shri Atul K. Sethi was appointed as Managing Director of the Company for a period of 5 years from 01-12-1997, at the Extra Ordinary General Meeting held on 27-11-1997. Remuneration payable to him was increased from Rs. 11,000/- p. m. to Rs. 15,000/- p. m. w. e. f. 1st April, 1998 at the Extra Ordinary General Meeting held on 02-03-1998.

Considering the growth in the business of the Company and the increased responsibilities shouldered by Shri Atul K. Sethi, the remuneration payable to him be increased from Rs. 15,000/- p. m. to Rs. 25,000/- p. m. w. e. f. 01-04-2001 for the remaining period of his tenure upto 30-11-2002.

Shri Atul K. Sethi is interested in the resolution concerning increase in his remuneration. Except Dr. S. K. Sethi and Smt. Amita Sethi being relatives, no other director is concerned or interested in the resolution.

The increase in remuneration of Shri Atul K. Sethi, Managing Director as given in the Notice and Explanatory statement may be treated as abstract of the terms of his appointment under section 302 of the Companies Act, 1956.

**ITEM NO. 5**

Smt. Amita Sethi was appointed as Whole Time Director of the Company for a period of 5 years from 1st April, 1996, at the Annual General Meeting held on 30-09-1996. Remuneration payable to her was increased w. e. f. 1st April, 1998 at the Extra Ordinary General Meeting held on 02-03-1998. The tenure of her appointment came to an end on 31-03-2001.

In view of the wide experience possessed by Smt. Amita Sethi, it is in the best interest of the Company to re-appoint her for a further period of 5 years.

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Smt. Amita Sethi is interested in the resolution concerning her re-appointment. Except Shri Atul Kumar Sethi being a relative, no other director is concerned or interested in the resolution.

Smt. Amita Sethi shall be liable to retire by rotation.

The remuneration and term & conditions of re-appointment of Smt. Amita Sethi as Whole Time Director as given in the Notice and Explanatory statement may be treated as abstract of the terms of her appointment under section 302 of the Companies Act, 1956.

The terms of re-appointment are as under :

Salary : Rs. 12,000/- per month including dearness and all other allowances.

Perquisites : Perquisites shall be allowed in addition to salary, perquisites shall be restricted to an amount equal to the annual salary.

**PART - A****I. Housing :**

(a) The expenditure by the Company on hiring furnished accommodation will be subject to the following ceilings :

50% of the salary, over and above 10% payable by Smt. Amita Sethi.

(b) If the Company does not provide accommodation to Smt. Amita Sethi, she shall be entitled to House Rent Allowance subject to the ceiling laid down in (a) above.

(c) If accommodation in the Company owned house is provided to Smt. Amita Sethi, a deduction @ 10% shall be made from her salary.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of Smt. Amita Sethi.

**II. Medical Reimbursement :**

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

**III. Leave Travel Concession :**

Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.

**IV. Club Fees :**

Fees of clubs subject to a maximum of two clubs. No admission and life membership fees will be paid.

**V. Personal Accident Insurance :**

Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4,000/-

**NOTE :** For the purposes of perquisites stated hereinabove, 'family' means the spouse, the dependent children and dependent parents of the appointee.

**PART - B**

Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

**PART - C**

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

**SHREE PACETRONIX LIMITED****ANNUAL REPORT****DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2001.

**FINANCIAL RESULTS**

Rs. In Lacs.

	31.03.2001	31.03.2000
Turnover including other Income	219.65	201.72
Profit before interest & depreciation	44.92	38.46
Interest & other charges	15.82	16.42
Depreciation	17.43	17.15
Profit before Tax	11.67	4.89
Provision for Tax	—	0.93
Net Profit	11.67	3.96

**DIVIDEND**

In order to plough back the resources, your Directors have decided not to recommend any dividend for the year ended 31st March, 2001.

**PERFORMANCE REVIEW**

During the year under review, the Company has achieved a turnover of Rs. 219.65 Lacs as against Rs. 201.72 Lacs in the previous year recording a rise of 9% and earned net profit after tax of Rs. 11.67 Lacs as compared to the net profit of Rs. 3.96 Lacs in the previous year reflecting a substantial growth of 295%.

Your Directors wish to place on record that nearly three fold increase in the net profit is on account of increase in export earnings, indigenisation of various components and cost controls at various levels.

Your Directors also wish to inform you that the Company has made repayment of the entire term loan to MPAVN Ltd.

**EXPORTS**

During the year under review, your Company has achieved an all time high Export Turnover of Rs. 56.94 lacs as compared to Rs. 52.06 Lacs in the previous year reflecting an increase of 11% over the previous year.

The Company has also established an alliance with Bio-Pace Technology Inc., U. S. A. for market expansion and has commenced the supply of pacemakers to them. The products are well received in the global market.

**FUTURE OUTLOOK**

The Company has applied for ISO 9001 certification through GMED, France. The Audit has been successfully completed. The Management is hopeful to receive the ISO 9001 certificate soon. With ISO 9001 accreditation, your Company is poised for growth in all areas specially in providing efficient services and quality assurance which will reflect in the future performance of the Company.

The process of indigenisation of ASIC chip is nearing completion and the same will be used for manufacturing of pacemakers in the coming months.

Keeping in mind the growth potential, the Management has finalised an expansion plan which comprises the construction of second floor of the factory building and installation of new machineries and equipments.

**SHREE PACETRONIX LIMITED****ANNUAL REPORT****DIVERSIFICATION**

The Coronary Bare Stents have been successfully tried and are being used regularly by various institutions all over India. The introduction of this new product will give further boost to the turnover of your Company.

**DIRECTORS**

During the year under review, Smt. Amita Sethi retire by rotation and being eligible offers herself for re-appointment.

During the year, Dr. Thomas B. Pinto, Dr. S. K. Sekaran and Dr. Shiv Kumar Pandey have resigned as Directors of the Company due to their other pre-occupations. Your Directors place on record their appreciation for the valuable guidance and support provided by them during their tenures.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors state as under :

- (i) that in the preparation of the Annual Accounts, the applicable standards have been followed and there has been no material departure;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintainance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- (iv) that the Directors have prepared the Annual Accounts on a going concern basis.

**AUDITORS AND AUDITORS' REPORT**

M/s S. R. Naredi & Co. Chartered Accountants, Indore retire at the conclusion of the ensuring Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under section 224 (1-B) of the Companies Act, 1956.

Observations made in the Auditors' Report are self-explanatory and therefore do not call any further explanation.

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

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

**PUBLIC DEPOSITS**

During the year, the Company has not accepted any public deposits within the meaning of section 58 A of The Companies Act, 1956 and the rules made thereunder.

**DEMATERIALISATION OF SHARES**

Your Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its securities. You are requested to take benefit of the same. In addition, as part of the efforts to provide the best possible investors services the Company has started offering the facility of simultaneous transfer-cum-demat of physical shares on request.