

SHREE PACETRONIX LIMITED

ISO - 9001



FOURTEENTH ANNUAL REPORT 2001 - 2002

*Technology Serving Humanity
C. E. Approved Pacemakers*

For Shree Pacetroneix Ltd.,
[Signature]
Authorized Signatory.

SHREE PACETRONIX LIMITED**ANNUAL REPORT**

BOARD OF DIRECTORS : Shri Atul Kumar Sethi, Managing Director
 Smt. Amita Sethi, Whole time Director
 Dr. Surendra Kumar Sethi Director
 Shri N. K. Sethi Director
 Shri Sushil Patni Director

BANKER : BANK OF INDIA
 Santha Bazar, INDORE

AUDITORS : M/s S. R. Naredi & Co.
 Chartered Accountants
 204, Manas Bhawan Extn. (New Wing)
 11, R. N. T. Marg.
 INDORE-452 001

REGD. OFFICE & FACTORY : Plot No. 15, Sector II,
 Industrial Area
 Pithampur, Dist. Dhar (M.P.) 454 775

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NOTICE

NOTICE is hereby given that the Fourteenth 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 28th September, 2002 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, 2002 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 Dr. S. K. Sethi who retires by rotation and being eligible, offers himself 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 Shri Sushil Patni who was appointed as an Additional Director of the Company by the Board of Directors and holds office upto the date of this meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as director of the Company, liable to retire by rotation."

For and on behalf of the Board

Place : PITHAMPUR

Dated : 12th August, 2002

ATUL KUMAR SETHI

Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND 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 Thursday, the 26th September, 2002 to Saturday, the 28th September, 2002 (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 benefit of the same.

EXPLANATORY STATEMENT

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

ITEM NO. 4

Shri Sushil Patni was appointed as an Additional Director of the Company by the Board of Directors with effect from 30th April, 2002, under section 260 of the Companies Act, 1956, and holds office upto the date of the 14th Annual General Meeting of the Company. As required under section 257 of the Companies Act, 1956 a notice has been received from a member proposing the name of Shri Sushil Patni for the office of Director.

Shri Sushil Patni possesses wide experience of about 20 years in sales, marketing and exports.

None of the Directors, except Shri Sushil Patni is concerned or interested in the Resolution. Board of Directors recommend the passing of the Resolution at Item No. 4 of the Notice.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourteenth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

Rs. In Lacs.

	31.03.2002	31.03.2001
Turnover including other Income	295.16	219.65
Profit before interest & depreciation	50.19	44.92
Interest & other charges	12.14	15.82
Depreciation	19.11	17.43
Profit before Tax	18.94	11.67
Add : Excess provision of I. T. w/back	0.56	—
Less : Provision for Tax :		
Current Tax	0.37	—
Deferred Tax	9.17	—
Net Profit after Tax	9.96	11.67

DIVIDEND

In order to plough back the resources for expansion your Directors have decided not to recommend any dividend for the year ended 31st March, 2002.

PERFORMANCE REVIEW

During the year under review, the Company has achieved a turnover of Rs. 295.16 Lacs as against Rs. 219.65 Lacs in the previous year recording a rise of 34% and earned net profit after tax of Rs. 19.13 Lacs (excluding provision for deferred tax) as compared to the net profit of Rs. 11.67 Lacs in the previous year reflecting a strong growth of 64% over the previous year.

Your Directors wish to place on record that the increase in the turnover and net profit is due to product improvement, better marketing strategy and cost controls at various levels.

EXPORTS

During the year under review, your Company has achieved an all time high Export Turnover of Rs. 62.60 lacs as compared to Rs. 56.94 Lacs in the previous year reflecting an increase of 10% over the previous year.

The Company's alliance with Bio-Pace Technology Inc., U. S. A. for market expansion has started giving results. The products are well received in the global market.

FUTURE OUTLOOK

Your Directors are very pleased to inform you that during the year, your Company has been accredited with ISO 9001 Certification by GMED, France for the quality assurance system developed by the Company for manufacture and supply of cardiac pacer and accessories including implantable devices.

Further, the Company has launched new range of small and light weight advance model of pacemakers (Rate Responsive Pacemakers, Bipolar & Unipolar Pacemakers) and also achieved remarkable progress in developing cost effective 2 Para Multi-programmable Pacemakers and Dual Chamber External Pacemakers.

With this accreditation and new range of pacemakers, the demand of products manufactured by your Company is expected to grow with a faster pace in the years to come.

EXPANSION

As reported earlier, the construction work of second floor of the factory building and installation of new machineries and equipments are progressing as scheduled.

DIRECTORS

During the year under review, Dr. S. K. Sethi retire by rotation and being eligible offers himself for re-appointment.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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 ensuing 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 58A 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.

LISTING & LISTING FEES

The Equity Shares of the Company are listed on the Madhya Pradesh Stock Exchange, Indore and the Stock Exchange, Mumbai. Listing fees for the year 2002-03 has been duly paid to both the stock exchanges.

SUBSIDIARY COMPANY

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

HUMAN RESOURCES

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

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

APPRECIATION

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

For and on behalf of the Board

(ATUL KUMAR SETHI)

(Chairman & Managing Director)

Place : PITHAMPUR
Dated : 12th Aug., 2002