

**TWENTY THIRD
ANNUAL REPORT
2010 - 2011**



Shree Pacetronix Ltd.

Technology Serving Humanity

An ISO-9001 Company

BOARD OF DIRECTORS

Shri Atul Kumar Sethi,	Chairman & Managing Director
Smt. Amita Sethi,	Whole time Director
Shri Sushil Patni	Non Executive Independent Director
Shri Anil Ratni	Non Executive Independent Director
Shri Praveen K. Badjatya	Non Executive Independent Director

BANKER

BANK OF INDIA
Santha Bazar, INDORE

AUDITORS

M/s S. R. Naredi & Co.
Chartered Accountants
204-205, Manas Bhawan Extn. (New Wing)
11, R. N. T. Marg.
INDORE - 452001

REGD. OFFICE & FACTORY

Plot No. 15, Sector II,
Industrial Area
Pithampur, Dist. Dhar (M.P.) 454775
Phone : 07292-411105, Fax : 07292-400418
Email : info@pacetronix.com

SHARE TRANSFER AGENT

Ankit Consultancy Private Limited
60, Electronics Complex,
Pardeshipura, Indore (M. P.) - 452 001

N O T I C E

NOTICE is hereby given that 23rd Annual General Meeting of the Members of the **SHREE PACETRONIX LIMITED** will be held on Friday, 30th September, 2011 at 10:30 a.m at the registered office of the company to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2011 and Profit and Loss Accounts for the year ended on that day together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Praveen Kumar Badjatya retires by rotation and being eligible offers himself for re-appointment.
3. To consider re-appointment of the Auditors and fixing up of their remuneration.

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

PLACE: Indore

DATE: 29th August, 2011

Atul Sethi
Chairman & 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. The Members are requested to:
 - a. Intimate changes, if any, in their registered addresses immediately.
 - b. Quote their ledger folio number in all their correspondence.
 - c. Hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the company for admission to the meeting place.
 - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
3. The Register of Members and Share Transfer Books of the company shall remain closed from 29/09/2011 to 30/09/2011 (both days inclusive).
4. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
5. Members seeking any information are requested to write to the company at least 10 days before the date of the AGM to enable the management to reply appropriately at the AGM.
6. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at M/s Ankit Consultancy Pvt. Ltd., 60, Electronics Complex, Pardeshipura, Indore (M. P.) - 452 001
7. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT IN THE
ENSUING ANNUAL GENERAL MEETING**

Name of Directors	MR. PRAVEEN KUMAR BADJATYA
Date of Birth	21.08.1964
Date of Appointment	15.07.2010
Expertise/ Experience in Specific functional areas	More than 20 year experience in commercial Business.
No. of Equity Shares held	
List of outside Company directorship held	NIL
Chairman / Member of the Committees of the Board of Directors of the Company	Member Audit Committee Remuneration Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report and Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS	31.03.2011	31.03.2010
Turnover including other Income	560.72	606.68
Profit before interest & depreciation	50.20	95.19
Interest & other charges	36.05	32.08
Depreciation	46.25	38.58
Profit before Tax	-32.10	24.53
Less : Provision for Tax :		
Current Tax	-0.40	9.64
Fringe Benefit Tax -	0.00	0.87
Deferred Tax -	9.07	-1.65
Net Profit after Tax	-22.63	15.68

PERFORMANCE REVIEW & FUTURE OUTLOOK

The company recorded a total turnover of **Rs. 555.44Lacs** In year 2010 -2011 against a previous turnover of **Rs. 595.51 Lacs**. Export sale was **Rs.49.73 Lacs** compared to **Rs.52.64 Lacs** respectively, due to higher overhead cost and manufacturing expenses the bottom line of the Company has turned into negative and the Company has incurred losses of Rs.32.10 Lacs against the handsome profit of Rs.24.53 Lacs in comparison of last year. Your directors are working hard to reduce the cost and improve the financial performance of the Company in the years to come.

As the last financial year incurred heavy expenditure in machinery, development and expansion and at the same decrease in sale both indogeneously and exports, the company has run into loss for the first time since inception.

With CE approvals in hand the company expects to triple exports in the coming financial year and with the installation of new laser machine , the company hopes to double production to meet the requirements for supply against approvals received overseas. The company expects to do better than last year by more than 30% to cover the losses generated if not eliminate the same altogether.

DIRECTORATE

In term of the provision of the Company Act, 1956 Shri Pravin Kumar Badjatya would retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer himself for reappointment. There is no other change in the composition of board of directors of the company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board confirms that:

- The financial statements are in full conformity with the requirements of the Companies Act, 1956, and applicable accounting standards have been followed along with proper explanation relating to material departure.
- The directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for the year under review.
- The Directors have taken proper and sufficient care for the maintenance 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.
- The Directors have prepared the Annual Accounts for the financial year ended 31st March 2011 on 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. The observations of the Auditors made in their Auditors' Report are suitably explained in the Notes to the Accounts.

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 as Annexure - 1.

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 there under.

COMPLIANCE CERTIFICATE

The Company has received the Compliance Certificate from the Practicing Company Secretary which is forming part of the report of the Board of Directors as Annexure - 2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report covering the matters listed in Clause 49 of the Listing Agreement for the Year under review is given as separate statement in the Annual Report as Annexure- 3.

CORPORATE GOVERNANCE

A report on corporate governance is enclosed containing details as required by the listing agreement which is forming part of the report of the Board of Directors as Annexure - 4.

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.

PARTICULARS OF EMPLOYEES

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, and Central & State Governments including all those associated with the Company

Place: Indore

Date: 29th August, 2011

For and on behalf of the Board of Directors of

Shree Pacetronix Limited

(ATUL KUMAR SETHI)

(Chairman & Managing Director)

Annexure - 1

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of Directors) Rules, 1988 forming part of the Directors' Report for the year ended 31st March 2011.

ANNEXURE TO THE DIRECTORS' REPORT

(As required under section 217 (1) (e) of the Companies Act, 1956)

I. CONSERVATION OF ENERGY

The Company continued its efforts to conserve energy by installing various equipments and utilities. Regular inspection of such equipments have been carried out. The above measures have resulted in controlling of energy consumption.

FORM - A

Form for disclosure of particulars with respect to conservation of energy.

	31.03.2011	31.03.2010
A. POWER & FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (Nos.)	115435	117271
Total Amount (Rs.)	557708	728790
Rate/Unit (Rs.)	4.83	6.21
(b) Own Generation		
(i) Through diesel Generator		
Units (Nos.)	NIL	NIL
Units/litre of diesel oil (Nos.)	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
(ii) Through steam Turbine/genrator		
	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
B. CONSUMPTION PER UNIT OF PRODUCTION		
Production of Pacemakers (Nos.)	1949	2048
Electricity (Units)	59.23	57.26
Furnace Oil	NIL	NIL
Coal	NIL	NIL

II. TECHNOLOGY ABSORPTION

FORM - B

Form for disclosure of particulars with respect to absorption.

RESEARCH AND DEVELOPMENT (R & D)

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Specific areas in which R & D carried out by the Company. 2. Benefits derived as a result of the above R & D. 3. Future plan of action. 4. Expenditure on R & D. | <p>The Company is developing various components in-house.</p> <p>Reducing dependence on the import and improvement in the quality.</p> <p>To continue R & D for new products & indigenisation.</p> <p>Charged to respective head of accounts.</p> |
|--|---|

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. The efforts have been made towards Technology absorption & adoption of Technology received from M/s.Bio-Pace Technology Inc., USA for the manufacture of Cardiac Pacemakers.

2. Benefits derived as a result of above efforts i. e. product improvement, cost reduction, product development, and import substitution etc. in the manufacturing of Cardiac pacemakers.
3. In case of Imported Technology (Imported during last 18 years reckoned from beginning of the financial year) following information be furnished :

(a) Technology imported	IN FULL
(b) Year of import	1992-93
(c) Has Technology been fully absorbed?	Yes
(d) If not fully absorbed areas where this has not taken place, reasons thereof & future plan of action.	N. A.

III. FOREIGN EXCHANGE EARNINGS AND OUT GO

		(Rs. in Lacs)	
		31/03/2011	31/03/2010
1. Foreign Exchange earned :			
- FOB Value of Exports	49.73		52.64
- Job Work	0.00		0.00
2. Foreign Exchange used : CIF Value of import of			
- Raw Materials	127.07		136.27
- Capital Goods	5.97		66.34
- Traded Goods	Nil		3.66
3 Foreign Travels :			
- Directors & Others	7.18		11.13

Annexure - 2

COMPLIANCE CERTIFICATE

[Rule 3 of Companies (Compliance Certificate) Rules, 2001]

CIN: L33112MP1988PLC004317

Authorised Capital: Rs.5,00,00,000/-

Paid-up Capital: Rs.3,59,94,000/-

To,
The Members,
SHREE PACETRONIX LIMITED
PITHAMPUR

I have examined the registers, records, books and papers of **SHREE PACETRONIX LIMITED** ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its directors and officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a Limited Company, comments is not required.
4. The Board of Directors duly met 4 times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company being a listed company closed its Register of Members on 29th September, 2010 to 30th September, 2010 under Section 154 of the Act.

6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 30th September 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. The Company has not held any Extra-ordinary General Meeting during the financial year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into contracts in contravention of the provisions of section 297 of the Act.
10. The Company has complied with the provisions relating to register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has issued duplicate certificates during the financial year by the registrar and transfer agent of the Company time to time in compliance with the provisions of the Companies Act, 1956 read with the listing agreement.
13. The Company has
 - i) delivered all the certificate of securities on allotment of shares/ lodgment thereof transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) not posted warrants to any member of the Company as no dividend declared during the financial year.
 - iv) was not required to transfer any amount to the Investor Education & Protection Fund as there was no amount due for transfer to the above said account relating to unpaid dividend, application money due for refund, matured deposits, matured debentures and interest accrued thereon as remain unpaid or un-claimed for a period of Seven years.
 - v) duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was appointment of Shri Praveen Kumar Barjatya as Additional director of the company on Board Meeting held on 15.07.2010 there was no other appointment of, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has re-appointed Shri Atul Kumar Sethi for further period of 3 years as managing director and Smt. Amita Sethi re-appointed as whole-time director for further period of 3 years during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has not been required to obtain any approval of the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors Pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preference shares or debentures.
22. The Company has not declared dividend nor has issued any rights shares and bonus shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has borrowed the loan in Compliance of the Section 293(1) (d) of the Act.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The company has not altered its Articles of Association during the financial year
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place : INDORE
Date : 29.08.2011

Signature :
Name of the Company Secretary : ASHISH GARG
F.C.S No. 5181, C.P. No. 4423

Annexure A
Registers as maintained by the Company

1. Register of Share Transfers.
2. Register of Charges under Section 143.
3. Register of Members under Section 150.
4. Registers & Returns kept at the Registered Office viz Annual Returns under Section 163.
5. Minutes Book of Board Meeting and General Meeting under Section 193.
6. Books of Accounts under Section 209
7. Register of Contracts under Section 301
8. Register of Directors, Managing Director, Manager and Secretary under Section 303
9. Register of Director's Shareholdings under Section 307
10. Register of Inter Corporate Investments.

Annexure B
Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2011.

Sr. No.	Form No./Return	Filed under section	For	Date of filing filing/Date of deposit of Challans	Whether filed within prescribed time (Yes/No)	If delay in filing whether requisite additional fees paid (Yes/No)
1.	Balance Sheet	Sec. 220	As on 31.03.2010	07.10.2010	Yes	No
2.	Annual Return	Sec. 159	AGM held on 30.09.2010	04.02.2011	Yes	No
3.	Form 66	Sec. 383 A	For the financial year ended on 31.03.2010	04.10.2010	Yes	No
4.	Form 66	Sec. 303	Change in the Director	20.07.2010	Yes	No
5.	Form 25C	Sec 269 (2)	Re-appointment of Managing Director	14.12.2010	Yes	No
6.	Form 25C	Sec 269 (2)	Re-appointment of MD/WTD	04.10.2010	Yes	No

Place : INDORE
Date : 29.08.2011

Signature :
Name of the Company Secretary : ASHISH GARG
F.C.S No. 5181, C.P. No. 4423