

**27<sup>th</sup>**  
**ANNUAL REPORT**  
**2014 - 2015**



**Shree Pacetrnix Ltd.**

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*Technology Serving Humanity*

*An ISO-9001 Company*

|                                |   |                       |
|--------------------------------|---|-----------------------|
| <b>MANAGING DIRECTOR</b>       | - | SHRIATUL KUMAR SETHI  |
| <b>WHOLE TIME DIRECTOR</b>     | - | SMT.AMITA SETHI       |
| <b>WHOLE TIME DIRECTOR</b>     | - | SHRI VIKAS GOKHALE    |
| <b>INDEPENDENT DIRECTOR</b>    | - | SHRI SUSHIL PATNI     |
| <b>INDEPENDENT DIRECTOR</b>    | - | SHRI ANIL RATHI       |
| <b>INDEPENDENT DIRECTOR</b>    | - | SHRI PRAVEEN BADJATYA |
| <b>CHIEF FINANCIAL OFFICER</b> | - | SHRI HARI MOHAN JHA   |

**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

**REGISTERED OFFICE & WORKS**

Plot No. 15, Sector II,  
Industrial Area, Pithampur,  
Dist. Dhar (M.P.) 454775  
Phone: 07292-411105,  
Fax: 07292-400418  
Email: pacetronix@hotmail.com  
CIN: L33112MP1988PLC004317

**SHARE TRANSFER AGENT**

ANKIT CONSULTANCY PRIVATE LIMITED  
60, Electronic Complex,  
Pardeshipura, Indore- 452010  
Phone- 0731-2551745-46  
Fax- 0731-4065798  
E Mail ID: mail@ankitonline.com

## NOTICE

Notice is hereby given that Twenty Seventh Annual General Meeting of the members of **Shree Pacetronix Limited** will be held on Wednesday 30<sup>th</sup> day, of September, 2015 at 10:00 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 March 31, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended March 31, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vikas Gokhale (DIN-05193393), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To ratify the appointment of auditors of the Company and to fix their remuneration and to pass the following resolution as ordinary resolution thereof :**

**"RESOLVED THAT,** pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee, and pursuant to the resolution passed by the members at the AGM held on 29<sup>th</sup> September, 2014 the appointment of M/s S. R. Naredi & Co, Chartered Accountants (ICAI Firm Registration No. 002818C), as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be recommended by the audit committee."

**PLACE:** Pithampur

**DATE:** 10.08.2015

### Registered office

Plot No. 15, Sector No. II  
Industrial Area  
Pithampur, 454775

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

**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 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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 30<sup>th</sup> September 2015 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
4. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
5. The company has notified closure of register of members and share transfer books from Saturday, September 26, 2015 to Wednesday, September 30, 2015 (both days inclusive).
6. 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 registered with the Company for admission to the meeting place.
  - d. Bring their Annual Report and Attendance Slips with them at the AGM venue.
7. Members seeking any information are requested to write to the Company by email at [pacetronix@hotmail.com](mailto:pacetronix@hotmail.com) at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
8. 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.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in same order of names are requested to send the share certificates to M/s Ankit Consultancy Private Limited., for consolidation into a single folio.
10. 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 Private Limited, 60, Electronic Complex, Pardeshipura, Indore.
11. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.

12. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s Ankit Consultancy Private Limited. to enable the Company to send all communications electronically
13. Members may also note that the Annual Report for FY 2014-15 is also available for downloading on Company's website [www.pacetronix.com](http://www.pacetronix.com)
14. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s Ankit Consultancy Private Limited.
16. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, during business hours up to the date of the meeting.

#### 17. Voting through electronic means

- (i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
- (ii) The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- (iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (iv) The voting period begins on 27<sup>th</sup> September 2015 (9:00 AM) and ends on 29<sup>th</sup> September 2015 (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 of 23<sup>rd</sup> September 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (v) Instructions for the voting through electronic means
  - a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - b. Click on Shareholders tab.
  - c. 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - d. Next enter the Image Verification as displayed and Click on Login.
  - e. 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 voting of any company, then your existing password is to be used.
  - f. If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |  |
|--|--|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)   |
|  | <p>■ Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number. The sequence number is printed on the address sticker where the Annual Report is sent in physical form and the same is communicated in the e-mail where the Annual Report is sent in an electronic form.</p> |
| DOB  | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |

|                       |  |
|-----------------------|--|
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>■ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (c).</p> |
|-----------------------|--|

- g. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September 2015, may obtain the login ID and password by sending a request to M/s Ankit Consultancy Private Limited at mail@ankitonline.com
- h. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- i. After entering these details appropriately, click on "SUBMIT" tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the relevant **SHREE PACETRONIX LIMITED** on which you choose to vote
- m. 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.
- n. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o. 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.
- p. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- r. 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.
- s. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (vi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (vii) The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 23th September 2015
- (viii) Ms. Shraddha Jain (Membership No. 39488 CP no. 14717), Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (ix) At the AGM, at the end of discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of Scrutinizer, order voting through poll for all those members who are present at the AGM but have not cast their votes electronically using the remote e-voting facility.

- (x) Immediately after the conclusion of voting at the AGM, the Scrutinizer shall first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than three days after the conclusion of the AGM. This report shall be made to the Chairman or any other person authorized by the Chairman, who shall declare the result of the voting forthwith.
- (xi) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pacetronix.com](http://www.pacetronix.com) and on the website of CDSL immediately after the declaration of the result by the Chairman or a person authorized by the Chairman. The results shall also be immediately forwarded to BSE Ltd.

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

|   |   |
|---|---|
| <b>Name of Directors</b>  | Mr. Vikas Gokhale   |
| <b>Date of Birth</b>  | 09.06.1975  |
| <b>Date of Appointment</b>  | 30.01.2012  |
| <b>Expertise / Experience in specific functional areas</b>                          | Having 14 years experience in Management of Industries Undertaking. |
| <b>Qualification</b>  | M.Tech  |
| <b>No. &amp; % of Equity Shares held</b>  | N.A   |
| <b>List of outside Companydirectorship held</b>                                     | Nil   |
| <b>Chairman / Member of the Committees of the Board of Directors of the Company</b> | Nil   |
| <b>Chairman / Member of the Committees of the Board</b>                             | Nil   |
| <b>Directors of other Companies in which he is director</b>                         |   |

**PLACE:** Pithampur

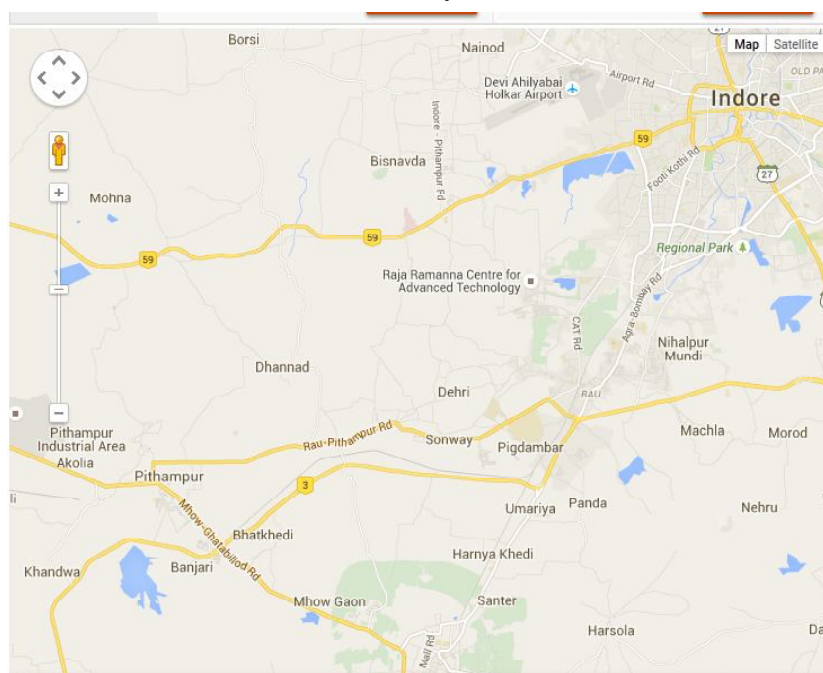
**DATE:** 10.08.2015

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

**Registered office**

Plot No. 15, Sector No. II  
Industrial Area  
Pithampur, 454775

**Atul Kumar Sethi**  
Managing Director

**Road Map**


**BOARD S' REPORT**

To,  
The Members of  
**Shree Pacetronix Limited,**  
**Pithampur-454775**

Your directors are pleased to present the 27<sup>th</sup> Annual Report together with the Audited financial Statement for the year ended 31<sup>st</sup> March, 2015.

**1. STATE OF AFFAIRS, FINANCIAL PERFORMANCE AND FUTURE OUTLOOK :****1.1 Financial Results highlights and summary****(Rs. in lacs)**

| Particulars   | As on 31.03.2015 | As on 31.03.2014 |
|---|------------------|------------------|
| <b>Total Income</b>                                   | 626.90           | 684.22           |
| Less : Total Expenditures                             | 527.47           | 554.29           |
| <b>Profit before Interest, Tax &amp; Depreciation</b> | 99.43            | 129.93           |
| Less : Financial Charges                              | 40.57            | 45.68            |
| Less : Depreciation                                   | 67.69            | 51.47            |
| <b>Profit before tax</b>                              | -8.83            | 32.78            |
| Less: Provision for tax-Current TaxDeferred Tax       | 6.40-11.58       | 4.176.68         |
| <b>Profit/(Loss) after tax</b>                        | -3.65            | 21.93            |

**1.2 OPERATIONS AND FUTURE OUTLOOK :**

During the year under review your company has recorded total turnover of Rs. 626.90 Lacs which is lower than the last year's sales, at the other hand the revenue of the company has also been effected due to lower turnover and higher overhead cost and manufacturing expenses the bottom line of the Company has turned into negative and the Company has incurred losses against the handsome profit in comparison of last few years. Your directors are working hard to reduce the cost and improve the financial performance of the Company in the years to come.

Manufacturing of Medical Device such as Pacemakers plays very crucial and important role in the growth structure of Pharmaceutical Industries, which is not material in monetary terms but a valuable life saving device. The R & D department of the Company is continuously working on the development of advanced new products as well as up-gradation of existing products. With the improved quality of pacemakers, the demand of the products manufactured by your Company is expected to grow with a faster pace which will lead to higher profitability in the years to come. However, at present no one can say with absolute certainty how the financial crisis will impact the real economy and therefore, the company's performance.

**1.3 Change in nature of Business**

During the year there was no change in business activity of the company.

**1.4 Changes in Share Capital**

During the Financial Year 2014-15 there was no change in capital structure of the company. The paid up equity capital as on March 31, 2015 was Rs.359.94 Lacs. 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.

**1.5 Revision of annual financial statement**

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

**2. Transfer To Reserves**

During the year the Company has not transferred any amount to the reserves.

**3. Dividend**

Your directors do not recommend any dividend due to losses in current financial year. However during the year the company has deposited amount of unclaimed dividend of Rs. 2,69,444/- to Investor Education and Protection Fund

**4. Deposits**

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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

There are no material changes and commitments affecting financial position of the company which have occurred between the end of the financial year of the company and date of the report.

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

The Company has one subsidiary Shree Coratomic Limited. The turnover of the Subsidiary Company Shree Coratomic Limited is Rs. 51.68 lacs as against Rs 127.52 lacs in the previous year. Profit before tax stood at Rs.(3.38) lacs as against Rs. 1.03 lacs in the previous year. A statement pursuant to Section 129 of the Companies Act, 2013 related to the accounts of the subsidiary forms part of this Annual Report. The consolidated financials form part of this annual report.

Policy for determining material subsidiaries of the Company is available on the website of the Company [www.pacetronix.com](http://www.pacetronix.com)

The Company does not have any associate company or any joint venture or Holding company.

#### 7. Extracts of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2015 forms part of this report as Annexure I.

#### 8. Number of Meetings of the Board

During the year under review the Board meets five times viz. **May 30, 2014; July 31, 2014; October 30, 2014, January 30, 2015 and March 30, 2015**. The details of meetings of the Board and the attendance of Directors are provided in the Corporate Governance Report.

#### 9. Directors' Responsibility Statement

**In terms of Section 134(3) (c) of the Companies Act, 2013, your Directors state that:**

- a. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit for the year ended on that period;
- c. The Directors had 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 had 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 has devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### 10. Reporting of fraud by Statutory Auditors

There was no fraud in the Company; hence no reporting was made by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

#### 11. Appointment and Declaration by independent directors

##### 11.1 Appointment of independent directors

At the Annual General Meeting held on 29.09.2014, the members approved the appointment of Mr. Sushil Patni, Mr. Praveen Badjatya and Mr. Anil Rathi as Independent Directors of the Company for a term of 5 years to hold the office till 31st March, 2019 who are not liable to retire by rotation.

##### 11.2 Declaration by independent directors

All Independent Directors of your Company have given a declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming compliance to the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with stock exchanges.

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, rules made thereunder as well as concerning provisions of Clause 49 of the Listing Agreement with stock exchanges.

##### 11.3 Meetings of Independent Directors

During the year under review, a separate meeting of Independent Directors was held on March 30, 2015, interalia, to discuss:

- § evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;
- § evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive
- § evaluation of the quality, content 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 said Meeting.

##### 11.4 Familiarization Programme

The Company shall through its Executive Directors / Senior Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company

The details of familiarization programme have been posted in the website of the Company under the web link - <http://www.pacetronix.com/FamiliarisationProgrammeForIndependentDirectors.pdf>

#### 12. Nomination & Remuneration Committee and Stakeholders Relationship Committee

As per the requirement of Section 178 of the Companies Act, 2013 and clause 49 of listing agreement the Company has constituted Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Composition of the above Committees, their terms of reference detailed in the report of Corporate Governance.



**13. Remuneration Policy**

Information regarding Directors' Remuneration Policy and criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 are given in **Annexure II** forming part of this report.

**14. Auditors****14.1 Statutory Auditor**

At the Annual General Meeting held on Monday, 29<sup>th</sup> September 2014, M/s. S.R Naredi & Co., Chartered Accountants (ICAI Firm Registration No. 002818C), were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s S.R Naredi Co. Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of section 141 of the Companies Act, 2013.

**Explanation to Auditor's Remark**

The Board has duly reviewed the statutory Auditors Report on the Accounts. The notes forming part of the accounts referred to in the Auditors Report of the Company are self explanatory and do not call for any further explanation

**14.2 Secretarial Auditor**

The Board has appointed Mr. Ashish Nayak, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure III** to this Report. In reply to the qualification made by the Secretarial Auditor, the Board of Directors stated that they have not find any suitable candidate for the post of the Company Secretary, so there is non-compliance of Section 203 of the Companies Act, non filing of Form MGT10 was mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the company would ensure in future that all the provisions are complied to the fullest extent and other comments are self explanatory and do not call for any further explanation.

The Board in its meeting held on 10.08.2015 has appointed Ms. Shraddha Jain, Practicing Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the financial year 2015-16.

**14.3 Cost Record and Cost Audit**

Your company does not falls within the provisions of Section 148 of Company's Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore no such records required to be maintained.

**15. Particulars of loans, guarantees or investments**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

**16. Particulars of contracts or arrangements with Related Parties**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.pacetronix.com](http://www.pacetronix.com)

Suitable disclosures as required under AS-18 have been made in the Notes to the financial statements.

**17. Conservation of Energy, technology absorption, foreign exchange earnings and outgo**

Information as per Companies(Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure IV** forming part of this report.

**18. Risk Management**

The Company has developed a Risk Management Policy which laid down the procedures to inform to the Board about the risk assessment and minimization procedures. The main aim to develop a risk management policy is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business.

**19. Corporate Social Responsibility**

Your company does not meet the requirements of Section 135 of Companies Act, 2013 for establishing Corporate Social responsibility (CSR) committee; therefore no such committee was established by the Board.

**20. Performance Evaluation of the Board**

Pursuant to the provisions section 134 of Companies Act 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Performance Evaluation process for the Board, its Committees and Director including the Independent Directors

The statement indicating the manner in which formal annual evaluation of the Directors, the Board and Board level Committees are given in detail in the report on Corporate Governance, which forms part of this Annual Report.

## 21. Directors and Key Managerial Personnel

Mr. Vikas Gokhale, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment.

During the year under review, the members approved the appointment of Mr. Sushil Patni Mr. Praveen Badjatya and Mr. Anil Rathi as Independent Director for a term of 5 years to hold the office till 31st March, 2019 who are not liable to retire by rotation. The members have also re-appointed Mr. Vikas Gokhale as Whole Time Director, of the Company for further period of three years.

### Disqualifications of Directors

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

## 22. Code of Conduct

The Company has laid down a code of conduct for all Board members and senior management and independent directors of the Company. All the Board members including independent directors and senior management personnel have affirmed compliance with the code of conduct.

## 23. Significant and material orders passed by the regulators or courts

There are no significant or material orders passed by the Regulators / Courts which would impact the future operations / going concern status of the Company.

## 24. Internal Financial Controls and its adequacy

The Company has comprehensive internal financial controls system for all major processes including financial statements to ensure reliability of reporting. The system also helps management to have timely data on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use. The internal financial controls system of the Company is commensurate with the size, scale and complexity of its operations. The system and controls are periodically reviewed and modified based on the requirement.

The internal and operational audit is entrusted to M/s Lunkad & Co, Chartered Accountants. 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.

## 25. Audit Committee

The Audit Committee comprises of Mr. Sushil Patni, Chairman, Mr. Praveen Badjatya and Mr. Anil Rathi as members. All the recommendations made by the Audit Committee were accepted by the Board. The details of meeting of Audit Committee held during the year, its composition, terms of reference are given in the Report on Corporate Governance.

## 26. Whistle Blower/Vigil Mechanism Policy

Your Company has established a Whistle Blower/ Vigil Mechanism Policy to enable Directors and employees of the Company to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Directors/ employees and direct access to the Chairman of the Audit Committee in exceptional cases.

The Whistle Blower Policy has been disclosed on the Company's at [www.pacetrnix.com](http://www.pacetrnix.com) and circulated to all the Directors and employees.

## 27. Disclosure of ratio of remuneration of Directors and Key Managerial Personnel, etc.

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 V and forms the part of this Directors Report.

## 28. Particulars of Employees etc.

During the year, there was no employee drawing remuneration in excess of Rs. 60,00,000/- p.a. or Rs. 5,00,000/- 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.

## 29. 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. Therefore the company not required to made disclosure as per rule 6 (4) of Companies (Share Capital and Debentures) Rules, 2014.

## 30. Disclosure regarding issue of Employee Stock Options

The Company does not have issued shares under employee's stock options scheme pursuant to provisions of Section Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014).