

**28<sup>th</sup>**  
**ANNUAL REPORT**  
**2015 - 2016**



**Shree Pacetrnix Ltd.**

---

*Technology Serving Humanity*

*An ISO-9001 Company*

**BOARD OF DIRECTORS AND KMP**

Mr. Atul Kumar Sethi	-	Managing Director
Mrs. Amita Sethi	-	Whole Time Director
Mr. Vikas Gokhale	-	Whole Time Director
Mr. Sushil Kumar Patni	-	Independent Director
Mr. Pravin Kumar Badjatya	-	Independent Director
Mr. Anil Rathi	-	Independent Director
Mr. Ashok Atulkar	-	Chief Financial Officer

**BANKER**

Bank of India  
Santha Bazar, Indore, MP

**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 28th Annual General Meeting of the members of **Shree Pacetronix Limited** will be held on Friday, 30th September, 2016 at 11:00 AM at the registered office of the company at Plot No 15, Sector II, Industrial Area, Pithampur, Dist. Dhar (MP) 454775 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the Financial Year ended 31st March, 2016 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Amita Sethi (DIN-00245722), who is liable to retire by rotation and being eligible offers herself for re-appointment.
3. **Appointment of Statutory Auditor to fill the casual vacancy**

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 139(8) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/s Ajay Sharma and Company, Chartered Accountants (ICAI Firm Registration No: 013306C), Indore be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s S. R. Naredi & Co, Chartered Accountants, (ICAI Firm Registration No. 002818C).

**RESOLVED FURTHER THAT** M/s Ajay Sharma and Company, Chartered Accountants (Firm Registration No: 013306C), Indore shall hold the office of Statutory Auditors of the Company from 10th August, 2016 till the conclusion of the 28th Annual General Meeting and they shall conduct the Statutory Audit for the financial year ended 31st March, 2017, at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

4. **Appointment of Statutory Auditor**

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

**"RESOLVED THAT** pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the provisions of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/s Ajay Sharma and Company, Chartered Accountants (ICAI Firm Registration No: 013306C), Indore be and are hereby appointed as Statutory Auditors of the Company to hold office for five years from the conclusion of this 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of the appointment by the Members at every Annual General Meeting of the Company) to conduct the statutory audit for the financial year 2016-2017 to 2020-2021, at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

5. **RE-APPOINTMENT OF MR. ATUL KUMAR SETHI AS THE MANAGING DIRECTOR OF COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of section 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 and 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 in force), the approval of the members of the Company be and are hereby granted for the re-appointment and remuneration being paid or provided to **MR. ATUL KUMAR SETHI** (DIN-00245685) as one of the whole-time Key Managerial Person to be designated as the Managing Director of the Company for a further period of three years commencing from 1<sup>st</sup> December, 2016 to 30<sup>th</sup> November, 2019, on the following terms and conditions as given below:

**CATEGORY A-**

- a. **Basic Salary-** Rs. 1,60,000/- per month which shall be subject to upward revision of 10% per annum.
- b. **Perquisites and allowances:** The Company shall provide perquisites and allowances subject to maximum of 50% of the Basic salary. The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel Concession or any other allowances.

**CATEGORY B-****EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:**

- a. **Employers Contribution to PF:** As per the rules of the Company.
- b. **Gratuity:** As per the rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act, 1972 from time to time.

- c. **Leave encashment:** up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Executive Director.

#### CATEGORY C-

##### FACILITIES TO PERFORM THE COMPANIES WORK:

- a. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by him.
- b. **Telephone, Internet & Cell:** Free use of telephone, cell phone and internet.

**RESOLVED FURTHER THAT** MR. ATUL KUMAR SETHI, Managing Director shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business.

**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.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to increase, reduce, alter or vary the terms of remuneration in such manner from time to time as Board may deems fit within the limits specified in schedule V of the Companies Act, 2013 as existing or amended, modified or re-enacted from time to time".

#### 6. RE-APPOINTMENT OF MRS. AMITA SETHI AS THE WHOLE TIME DIRECTOR OF THE COMPANY

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

**"RESOLVED THAT** pursuant to the provisions of section 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 and 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 in force), the approval of the members of the Company be and are hereby granted for the re-appointment and remuneration being paid or provided to **MRS. AMITA SETHI** (DIN- 00245722) as one of the whole-time Key Managerial Person to be designated as the **Whole Time Director** of the Company for a further period of three years commencing from 1<sup>st</sup> December, 2016 to 30<sup>th</sup> November, 2019, on the following terms and conditions as given below:

#### CATEGORY A-

- a. **Basic Salary-** Rs. 40,000/- per month which shall be subject to upward revision of 10% per annum.
- b. **Perquisites and allowances:** The Company shall provide perquisites and allowances subject to maximum of 50% of the Basic salary. The perquisites and allowances shall include House Rent Allowances, Medical Allowances and Leave Travel Concession or any other allowances.

#### CATEGORY B-

##### EXEMPTED FROM THE LIMITS PRESCRIBED UNDER THE SCHEDULES:

- a. **Employers Contribution to PF:** as per the rules of the Company.
- b. **Gratuity:** as per the rules of the Company, subject to a maximum ceiling as may be prescribed under the Payment of Gratuity Act, 1972 from time to time.
- c. **Leave encashment:** up to 15 days salary for every one year completed service as per the rules of the Company.

Provided that the above said perquisites shall not be counted for the purpose of calculation of the remuneration payable to the Executive Director.

#### CATEGORY C-

##### FACILITIES TO PERFORM THE COMPANIES WORK:

- a. **Car:** The Company shall provide car with driver for the Company's business and if no car is provided, reimbursement of the conveyance shall be made as per actual on the basis of claims submitted by her.
- b. **Telephone, Internet & Cell:** Free use of telephone, cell phone and internet.

**RESOLVED FURTHER THAT** MRS. AMITA SETHI, Whole time Director shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by her in connection with the Company's business.

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to MRS. AMITA 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 her tenure.

**RESOLVED FURTHER THAT** the Board of directors be and are hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to increase, reduce, alter or vary the terms of remuneration in such manner from time to time as Board may deems fit within the limits specified in schedule V of the companies Act, 2013 as existing or amended, modified or re enacted from time to time”.

**7. Adoption of new set of Articles of Association of the Company**

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 Sections 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**8. To make investments under Section 186 of the Companies Act, 2013.**

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

**“RESOLVED THAT** pursuant to provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors including any Committee thereof (hereinafter referred to as “the Board”) to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of company’s paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more as the Board of Directors may think fit, provided that the total investments made shall not at any time exceed Rs. 50 Crores, (Rupees fifty Crores only) over and above the paid up share capital, free reserves and securities premium account of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and the Director(s) or the person authorized by the Board be and are hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investments and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith.”

**PLACE:** Pithampur

**DATE:** 29.08.2016

**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  
(DIN- 00245685)

**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/herself 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. Proxy holder may vote either for or against each resolution.
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. Corporate members intending to send their authorized 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.
4. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 is given below and forms part of the Notice.
5. Additional information, pursuant to the Regulation 36 (3) of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, in respect of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on 30th September 2016 forms part of the notice.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the Board's Report.
7. The Company's Register of members and Share Transfer Books shall remain closed from Saturday, September 24, 2016 to Friday, September 30, 2016 (both days inclusive).
8. 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 the Annual Report and Attendance Slips with them at the AGM venue.
9. 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.
10. 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.
11. 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.
12. 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 MP.
13. 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.
14. In accordance with the provisions of Section 101 of the Companies Act, 2013, Rule 18 of the Companies (Management and Administration) Rules, 2014 and Regulation 36 of the SEBI (LODR) Regulations, 2015 and 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.
15. Members may also note that the Annual Report for FY 2015-16 is also available for downloading on Company's website [www.pacetronix.com](http://www.pacetronix.com)
16. 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 and/or M/s Ankit Consultancy Private Limited, Registrar and share transfer agent of Company.

17. 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 the business hours of the Company up to the date of the Annual General meeting.

#### 18. 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 Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, 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 attend the AGM but shall not be entitled to cast their vote again.
- (iv) The voting period begins on 27th September 2016 (9.00 am) and ends on 29th September 2016 (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 23<sup>RD</sup> September 2016 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.
  - 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>■ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>■ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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 as mentioned in instruction (c).</li> </ul>

**NOTE: Please keep the sequence number in safe custody for future e-voting.**

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. 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.
- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant 'SHREE PACETRONIX LIMITED' on which you choose to vote.
- k. 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.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. 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.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p. 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.
- q. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- r. **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 Corporate.
  - 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.
- s. 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).
- (vi) 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. 23<sup>RD</sup>, September 2016.
- (vii) 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 and voting by poll at AGM in a fair and transparent manner.
- (viii) 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.
- (ix) 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.
- (x) The voting results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pacetrnix.com](http://www.pacetrnix.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 Limited.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013****Item No. 3-Appointment of Statutory Auditor to fill the casual vacancy**

The Members of the Company at the 26th Annual General Meeting held on 29th September, 2014 had appointed M/s S. R. Naredi & Co, Chartered Accountants (ICAI Firm Registration No. 002818C), Indore as Statutory Auditor of the Company to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company to be held in the year 2017 subject to ratification of the appointment by the Members at every Annual General Meeting of the Company.

M/s S. R. Naredi & Co, Chartered Accountants, vide their letter dated 2nd August, 2016 have tendered their resignation from the position of Statutory Auditors due to their pre-occupation which was resulted into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 10th August, 2016, as per the recommendation of the Audit Committee and pursuant to the provisions of Section 139(8) of Companies Act, 2013, appointed M/s Ajay Sharma and Company, Chartered Accountants (Firm Registration No: 013306C), Indore, as the Statutory Auditor of the Company to fill the casual vacancy for financial year 2016-2017 caused by the resignation of M/s S. R. Naredi & Co, Chartered Accountants, subject to the approval by the members in the 28th Annual General Meeting of the Company, at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent and eligibility certificate from M/s Ajay Sharma and Company, Chartered Accountants, to act as Statutory Auditors of the Company in place of M/s S. R. Naredi & Co, Chartered Accountants, along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 3 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the Resolution at Item No. 3.

The Board recommends the Resolution at Item No. 3 for approval of the Members.

**Item No. 4- Appointment of Statutory Auditor**

The Board of Directors at its meeting held on 10th August, 2016, as per the recommendation of the Audit Committee and pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, recommended the appointment of M/s Ajay Sharma and Company, Chartered Accountants (Firm Registration No: 013306C), Indore as Statutory Auditors of the Company to hold office for five years, from the conclusion of the 28th Annual General Meeting, till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2021 to conduct the statutory audit for the financial year 2016-2017 to 2020-2021 (subject to ratification of the appointment by the Members at every Annual General Meeting) at such remuneration and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent and eligibility certificate from M/s Ajay Sharma and Company, Chartered Accountants to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the Resolution at Item No. 4.

The Board recommends the Resolution at Item No. 4 for approval of the Members.

**Item No. 5- Re-appointment of Mr. Atul Kumar Sethi as the Managing Director of Company**

Mr. Atul Kumar Sethi is serving in capacity of Managing Director of the Company and his tenure shall be expired on 30th November, 2016 upon completion of 3 years of his appointment as Managing Director.

Mr. Atul Kumar Sethi having 20 years of experience in industries and is acquainted with through knowledge of business of manufacturing and selling of medical devices. His experience, commitment and capabilities are playing a crucial role in the growth of the Company. Thus 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.

Thus upon the recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on 10th August, 2016 has re-appointed Mr. Atul Kumar Sethi as Managing Director of the Company (subject to the approval of Members in General Meeting) for a further period of 3 years w.e.f. 1st December, 2016.

The Board considered that the terms and conditions and remuneration as given in the Item No. 5 of the notice is commensurate with his high responsibilities, status and image of the Company.

The resolution seeks approval of Members in terms of section 196 and 197 read with schedule V and other applicable provision of Companies act, 2013 and rules made there under for the re-appointment of Mr. Atul Kumar Sethi as Managing Director.

The Board recommends the Ordinary resolution set forth in item No 5 of Notice for approval of members.

Mr. Atul Kumar Sethi and Mrs Amita Sethi are concerned or financially interested in the proposed resolution. None of other Directors and Key Managerial Personnel is concerned or interested in the proposed resolution.

**Item No. 6- Re-appointment of Mrs. Amita Sethi as the Whole Time Director of the Company**

Mrs. Amita Sethi is serving in capacity of whole time Director of the Company and her tenure shall be expired on 30th November, 2016 upon completion of 3 years of her appointment as Whole time Director.

Mrs. Amita Sethi having 14 years of experience in industries and is acquainted with through knowledge of business of manufacturing and selling of medical devise. Her experience, commitment and capabilities are playing a crucial role in the growth of the Company. Thus the Board of Directors feel that there is a need for a continuation of suitable plans and program and therefore, it is imminent that she should continue in the capacity of Whole time Director.

Thus upon recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on 10th August, 2016 has re-appointed Mrs. Amita Sethi as whole time Director of the Company (subject to the approval of Members in General Meeting) for a further period of 3 years w.e.f. 1<sup>st</sup> December, 2016.

The Board considered that the terms and conditions and remuneration as given in the Item No. 6 of the notice is commensurate with their high responsibilities, status and image of the Company.

The resolution seeks approval of Members in terms of section 196 and 197 read with schedule V and other applicable provision of Companies Act, 2013 and rules made there under for the re-appointment of Mrs. Amita Sethi as whole time Director.

The Board recommends the Ordinary resolution set forth in item No 6 of Notice for approval of members.

Mr. Atul Kumar Sethi and Mrs Amita Sethi are concerned or financially interested in the proposed resolution. None of other directors and Key Managerial Personnel are concerned or interested in the proposed resolution.

**Item No. 7- Adoption of new set of Articles of Association of the Company**

The existing Articles of Association ("Articles") of the Company are based on the erstwhile Companies Act, 1956 and several regulations in the existing Articles contain reference to the specific sections of the erstwhile Companies Act, 1956. Some regulations in the existing Articles are no longer in conformity with the provisions of the Companies Act, 2013 ("Act").

With the enactment of the Companies Act, 2013, several regulations of the existing Articles of the Company require alteration and/or deletion. Given this position, it is considered expedient to replace the existing Articles by adopting a new set of Articles.

The draft Articles shall be open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 A.M to 01.00 P.M excluding Saturday up to the date of forthcoming Annual General Meeting.

The Board of Directors recommends the Special Resolution set out at Item No.7 of the Notice for approval by the Members.

None of the Directors / Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the Resolution.

**Item No. 8- To make investments under Section 186 of the Companies Act, 2013:**

As a measure of achieving greater financial flexibility and to enable optimal financial structuring and to facilitate speedy implementation of its plans, it is proposed that the Board of Directors be authorized to make investments up to Rs. 50 Crores (Rupees Fifty Crores only) over and above the paid up share capital, free reserves and securities premium account of the Company in other body corporate(s) by way of subscription and/or purchase of their securities.

As per Section 186 of the Companies Act, 2013, a Company cannot make investments in excess of the limits set out therein unless it is previously authorized by a Special Resolution in general meeting. Hence, it is necessary to obtain approval for the same from the Members. The funds required for investments will be sourced through internal accruals, securities issue and/or borrowings.

The Board recommends passing of the resolution set forth in item No 8 of Notice by the members of the Company as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the proposed resolutions.