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Shree Pacetronix Ltd.

Pacetronix®

Date: 04th September, 2021

To,
General Manager-(Listing Dept.)
Department of Corporate Services
BSE Limited
P.J. Tower, Dalal Street,
Mumbai- 400001

Scrip Code – 527005; ISIN – INE847D01010

**Subject: Submission of 33rd Annual Report of the Company for the Financial Year 2020-2021 pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the 33rd Annual Report for the Financial Year 2020-2021 along with Notice of 33rd Annual General Meeting of the Company to be held on Wednesday, 29th September, 2021 at 11.30 A.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Further, in compliance with the relevant Circulars issued by the Ministry of Corporate Affairs, relevant provisions of the Companies Act, 2013 and Securities and Exchange Board of India, the Company is offering facility of remote e-voting and e-voting facility during the AGM to all the shareholders of the Company in respect of the businesses to be transacted at the 33rd AGM. For this purpose, the Company has engaged Central Depository Services (India) Ltd. as its Authorised Agency.

Kindly take the same in your records.

Thanking You
Yours faithfully

For SHREE PACETRONIX LIMITED
CIN: L33112MP1988PLC004317
For Shree Pacetronix Ltd.
Authorised Signatory
HARSHITA JINDAL
COMPANY SECRETARY

*Enclosure: 33rd Annual Report for the F.Y. 2020-2021 along with notice of AGM.*

Intertek
ICMED 13485 Certified
ISO 13485 Certified
ISO 9001 Certified



Factory & Regd. Office : Plot No. 15, Sector II,
Pithampur, Dist. DHAR 454775 (M.P.), INDIA
Phone : 07292 - 411105, Fax : 07292-400418, 0731 - 2762728
E-mail : pacetronix@hotmail.com
Web Site : www.pacetronix.com

Bangalore Address :
201, Sai Apartment, 10th Cross,
2nd Main, N.R. Colony, Bangalore - 19

Kolkata Address :
Swastik Apartment, Ground Floor,
1, Sardar Sankar Road, Tolly Gunj,
Kolkata - 700026
Ph.: (033) 2464 8931 Fax : 2465 7753

# SHREE PACETRONIX LIMITED

33rd

ANNUAL REPORT
2020-2021

# CORPORATE INFORMATION

| | |
|---|---|
| CORPORATE IDENTIFICATION NUMBER | L33112MP1988PLC004317 |
| REGISTERED OFFICE | Plot No. 15, Sector-II, Industrial Area, Pithampur,<br>District Dhar (M.P.) – 454775<br>Contact: 07292-411105, Fax: 07292-400418<br>Email id: pacetronix@hotmail.com<br>Website: www.pacetronix.com |
| BOARD OF DIRECTORS | |
| Executive Directors | |
| Managing Director | Mr. Atul Kumar Sethi |
| Joint Managing Director | Mr. Akash Sethi |
| Whole Time/Women Director | Mrs. Amita Sethi |
| Whole Time Director | Mr. Vikas Gokhale |
| Non-Executive Directors | |
| Independent Director | Mr. Sushil Kumar Patni |
| Independent Director | Mr. Mahesh Purohit |
| Independent Director | Mr. Rajesh Kumar Bhale |
| Independent Director | Mr. Varun Rawat |
| CHIEF FINANCIAL OFFICER | Mr. Ashok Atulkar |
| COMPANY SECRETARY | Ms. Harshita Jindal |
| CHIEF OPERATING OFFICER | Mr. Sumit Chakarbarti |
| EXISTING STATUTORY AUDITORS | Ajay Sharma and Company<br>Chartered Accountants<br>301, III rd Floor, SV Business Park,<br>77 Swami Vivekanand Nagar, Telephone Nagar Square<br>Indore (M.P.) - 452018 |
| PROPOSED STATUTORY AUDITOR | S. R. Naredi & Co., Chartered Accountants<br>204, Manas Bhawan Extn.,<br>11 R.N.T. Marg, Indore (M.P.) - 452001 |
| BANKERS | Bank of India<br>HDFC Bank Limited<br>Axis Bank Limited<br>Tata Capital Finance Limited |
| REGISTRAR & SHARE TRANSFER AGENT | Ankit Consultancy Private Limited<br>60, Electronic Complex, Pardesipura,<br>Indore (M.P.) 452010<br>Contact: 0731-4065799, 4065797, Fax: 0731 -4065798<br>Email id:compliance@ankitonline.com,<br>investor@ankitonline.com |
| STOCK EXCHANGE<br>*(Where the Company's securities listed )* | BSE Limited |

# NOTICE

NOTICE is hereby given that the Thirty-Third Annual General Meeting (AGM) of the Members of Shree Pacetronix Limited will be held on Wednesday, 29th September, 2021 at 11:30 A.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") for which purposes the registered office of the Company situated at Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar, Madhya Pradesh, 454775 shall be deemed as the venue for the meeting and the proceedings of the Annual General Meeting shall be deemed to be made there at, to transact the following businesses:

ORDINARY BUSINESSES:

1. CONSIDERATION AND ADOPTION OF STANDALONE & CONSOLIDATED AUDITED FINANCIAL STATEMENT

   To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements containing the Balance Sheet as at 31st March, 2021, the Statement of Profit & Loss, Cash Flow Statement and notes thereon of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.

2. APPOINTMENT OF MRS. AMITA SETHI (DIN: 00245722), WHOLE TIME DIRECTOR, LIABLE TO RETIRE BY ROTATION

   To appoint a Director in place of Mrs. Amita Sethi (DIN: 00245722), Whole Time Director, who retires by rotation and being eligible, offers herself for re-appointment.

3. TO APPOINT STATUTORY AUDITORS AND FIX THEIR REMUNERATION AND IN THIS CONNECTION AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION :

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S. R. Naredi & Co., Chartered Accountants, Indore (FRN: 002818C), be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors M/s. Ajay Sharma & Company, Chartered Accountants, Indore, (FRN: 013306C), to hold office from the conclusion of the 33rd Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company, on remuneration not exceeding Rs. 1,50,000/- p.a. (Rupees One Lac Fifty Thousand Only) plus applicable taxes and out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

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

PLACE: Pithampur
DATE: 13/08/2021

_____
Harshita Jindal
Company Secretary

Registered Office:
Plot No. 15, Sector-II,
Industrial Area, Pithampur,
Dhar, M.P. - 454775

## NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (collectively "SEBI Circulars"), have allowed the Companies to conduct their Annual General Meeting (AGM), through Video Conferencing (VC) or any Other Audio Visual Means (OAVM), subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made there under, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is convening its 33rd AGM through VC/OAVM, without the physical presence of the Members at a common venue. The Company has availed the facility of Central Depository Services (India) Limited [CDSL] for convening the 33rd AGM through VC/OAVM, a detailed process in which the members can attend the AGM through VC/OAVM has been enumerated in Note number 27 of this Notice.

2. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013 (the Act).

3. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/ Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the route map is not annexed in this Notice.

4. The MCA General Circular No. 20/2020 dated May 5, 2020 and MCA General Circular No. 02/2021 dated January 13, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, have granted relaxations to the companies in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2021 pursuant to Section 136 of the Act and Notice calling the AGM pursuant to Section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent or Depository Participant/ Depository as on the cut-off date i.e. Friday, 20th August, 2021.

   Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with Registrar and Share Transfer Agent by following due procedure.

5. For Members who have not registered their e-mail address and those members who have become the members of the Company after Friday 20th August, 2021 being the cut-off date for sending soft copy of the Notice of 33rd AGM and Annual Report for the financial year 2020-2021, in Portable Document Format (PDF), will also be available on the Company's website www.pacetronix.com, website of CDSL i.e. www.evotingindia.com and on website of stock exchanges viz. www.bseindia.com .

6. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. Since the 33rd AGM of the Company will be convened through VC/ OAVM, where there will be no physical attendance of members, the requirement of appointment of proxies pursuant to the provisions of Section 105 of the Act has been dispensed. Accordingly, attendance slip and proxy form will not be annexed to this Notice.

7. Pursuant to the provisions of Sections 112 and 113 of the Act, body corporate/institutional members can authorize their representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Provided a certified copy (PDF) of the Board Resolution/authorization letter authorizing such representative to attend the AGM of the Company through VC/ OAVM on its behalf and to vote through remote e-voting shall be sent to the Scrutinizer through the registered email address of the member(s) at shraddhajain2204@gmail.com with a copy marked to the Company at investors.spl@gmail.com .

8. Pursuant to provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Book of the Company will remain closed during the period from Thursday, 23rd Day of September, 2021 to Wednesday 29th Day of September, 2021 (both days inclusive) for the purpose of 33rd Annual General Meeting.

9. At the 28th Annual General Meeting held on 30th September, 2016, Members of the Company had approved the appointment of M/s. Ajay Sharma & Company, Chartered Accountants, as Statutory Auditors of the Company for a period of five years, to hold office upto 33rd AGM of the Company. Accordingly, M/s. Ajay Sharma & Company, Chartered Accountants are due to retire at the ensuing 33rd AGM and pursuant to Section 139 of Companies Act 2013 are not eligible for reappointment. Accordingly, necessary resolution for appointment of M/s. S. R. Naredi & Co., Chartered Accountants, Indore (FRN: 002818C), as the Statutory Auditors of the Company in place of the retiring Auditors M/s. Ajay Sharma & Company, Chartered Accountants for a period of 5 consecutive years has been incorporated in this AGM Notice.

10. 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. Further, as per SEBI Circular dated April 20, 2018 all securities holders holding securities in physical form should submit their PAN and Bank account details to the RTA.

11. Members, who hold shares in multiple Demat accounts and those who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are advised to consolidate their holdings in single Demat account/ Folio. 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.

12. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, may fill Form SH-13 and send the same to the office of the Company and/ or its RTA. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their respective DPs.

13. For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id investors.spl@gmail.com, at least 7 days before the date of the AGM, mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably.

14. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Item Nos. 3 is annexed and forms part of the Notice.

15. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. The relevant documents, if any, referred to in the Notice of 33rd AGM and the Annual Report will also be available for inspection electronically on request by a member of the Company up to the date of the 33rd AGM of the Company. Members seeking to inspect such documents can send an email to investors.spl@gmail.com .

16. Any person, who acquires shares of the Company and become member of the Company after mailing of the notice and holding shares as on the cut-off date i.e. Wednesday, 22nd September, 2021, may obtain the login ID and password by sending a request at investor@ankitonline.com .

17. Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 60 Pardeshipura, Electronic Complex, Indore (M.P.).

18. The Company has designated an exclusive e-mail ID i.e investors.spl@gmail.com to enable the investors to register their complaints / send correspondence, if any for the purpose of AGM.

19. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of CDSL at www.evotingindia.com using the login credentials.

20. The Company has appointed Ms. Shraddha Jain, Practicing Company Secretary (Membership No. ACS-39488; CP No. 14717) to act as the scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

21. The voting rights of Shareholders shall be in proportion of shares held by them to the total paid up equity shares of the company as on Wednesday 22nd September, 2021, being the cut-off date.

22. The Chairman shall at the AGM at the end of discussion on the resolutions on which voting is to be held, allow e-voting to all those members who are present/logged in at the AGM but have not cast their votes by availing the remote e-voting facility.

23. A person who has acquired the shares and has become a member of the Company after dispatch of notice of AGM and prior to the Cut-off date i.e. Wednesday 22nd September, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of AGM by following the procedure mentioned in this Notice.

24. The procedure for joining the AGM through VC/OAVM is mentioned in this Notice.

25. Details as required in terms of Regulation 36 of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) in respect of the Director seeking re-appointment at the AGM, forms integral part of the Notice.

26. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations and relevant MCA Circulars, the facility for remote e-voting and e-voting in respect of the businesses to be transacted at the AGM is being provided by the Company through Central Depository Services (India) Limited ("CDSL"). Necessary arrangements have been made by the Company with CDSL to facilitate remote e-voting and e-voting during the AGM.

27. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER

(i) The voting period begins on Sunday 26th September 2021 from 9:00 A.M. and ends on Tuesday 28th September, 2021 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e -Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br><br>2) After successful login the Easi / Easiest user will be able to see the e -Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e -Voting page of the e -Voting service provider for cast ing your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e -Voting service providers' website directly.<br><br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Regist ration/EasiRegistration<br><br>4) Alternatively, the user can directly access e -Voting page by providing Demat Account Number and PAN No. from a e -Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentic ation, user will be able to see the e -Voting optionwhere the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| | |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e -Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Passwo rd. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e -Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e -Voting period or joining virtual meeting & voting during the meeting.<br><br>2) If the use r is not registered for IDeAS e -Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br><br>3) Visit the e -Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e -Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e -Voting page. Click on company name or e -Voting service provider name and you will be redirecte d to e -Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e -Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e -Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at : 022- 23058738 and 022-23058542-43. |

| | |
|---|---|
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e -Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|---|---|
| PAN | Enter your 10 digit alpha -numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | 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.<br>• 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. |

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form wil l 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 wh ich 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e -voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <SHREE PACETRONIX LIMITED> on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors.spl@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

28. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

2. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

3. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

5. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e. investors.spl@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id i.e. investors.spl@gmail.com). These queries will be replied to by the company suitably by email.

9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

10. Only those shareholders, who are present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Annual General Meeting.

11. If any Votes are cast by the shareholders through the e-voting available during the Annual General Meeting and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

29. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company Email ID.: investors.spl@gmail.com /RTA email id. investor@ankitonline.com

ii. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

30. DECLARATION OF RESULTS:

A. The scrutinizer shall, immediately after the conclusion of voting during the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the Company or the person authorized by him, who shall countersign the same.

B. Based on the scrutinizer's report, the Company will submit within 2 (two) working hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.

C. The results declared along with the scrutinizer's report, will be hosted on the website of the Company at www.pacetronix.com and on the website of CDSL i.e. www.evotingindia.com, immediately after the declaration of the result by the Chairperson or a person authorized by him in writing and communicated to the Stock Exchanges.

D. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Wednesday, 29th September, 2021 subject to receipt of the requisite number of votes in favour of the Resolutions.

31. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

32. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

## EXPLANATORY STATEMENT IN TERMS OF SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO. 3:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.
Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Ajay Sharma & Company, Chartered Accountants, Indore, (ICAI Firm Registration No. 013306C), the present Auditors of the Company complete their term as Statutory Auditors at the conclusion of the ensuing 33rd Annual General Meeting ("AGM") of the Company. Accordingly, the Board of Directors has based on the recommendation of the Audit Committee, proposed the appointment of S. R. Naredi & Co., Chartered Accountants (ICAI Firm Registration No. 002818C) as the Statutory Auditors of the Company to hold office for a term of 5 consecutive years, commencing from the conclusion of this AGM until the conclusion of the 38th AGM of the Company to be held in the year 2026, at a remuneration not exceeding Rs. 1,50,000/- p.a. (Rupees One Lac Fifty Thousand Only) plus applicable taxes and out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time. S. R. Naredi & Co., Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be in conformity with the provisions of section 139 of the Act and that they satisfy the criteria provided in section 141 of the Act and are independent of the Management. The Board recommends the Ordinary Resolution as set out at Item No. 3 of the Notice for approval of the Members.
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 Ordinary Resolution as set out at Item No. 3 of the Notice.

BRIEF DETAIL OF STATUTORY AUDITOR SEEKING APPOINTMENT AT THE 33RD ANNUAL GENERAL MEETING:

{Pursuant to Regulation 36 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

| | |
|---|---|
| Name of Statutory Auditor | M/s. S. R. Naredi & Co. |
| FRN: | 002818C |
| Proposed fees payable | Not Exceeding Rupees 1,50,000/- p.a. |
| Terms of appointment | Appointed from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting. |
| Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change | No material change in fee payable to the proposed auditor. |
| Basis of recommendation for appointment | The Board of Directors has based on the recommendation of the Audit Committee, proposed the appointment of S. R. Naredi & Co., Chartered Accountants (ICAI Firm Registration No. 002818C) as the Statutory Auditors of the Company.<br><br>S. R. Naredi & Co., Chartered Accountants was established in the year 1985 and have vast experience of Statutory Audit of various companies and tax audit of Companies, Partnership firms, Proprietorship Firms and other establishments.<br><br>The firm undertakes various matters related to Audit/Income tax/Company Law / Project Financing and also deals with appellate tribunals in income tax.<br><br>The firm is empaneled with various Banks for their branch audit and also internal auditors of number of companies, Trust, Societies. |
| Details in relation to and credentials of the statutory auditor(s) | M/s. S. R. Naredi & Co., Chartered Accountants, Indore (M.P.) is a proprietorship firm engaged in the profession of Chartered Accountancy. |

BRIEF PROFILE OF DIRECTOR SEEKING RE -APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable provisions:

| | |
|---|---|
| NAME OF DIRECTOR | MRS. AMITA SETHI |
| DIN | 00245722 |
| Date of Birth | 01/ 06/ 1966 |
| Date of First Appointment | 01/ 12/ 2010 |
| Qualification | M.A. |
| Expertise / Experience in specific functional areas | More than 16 Years of experience in business and industries and thorough knowledge of medical industry. |
| Category of Directorship | Executive Promoter Director |
| Relationships with Other Directors, Manager and other Key Managerial Personnel of the Company | Mrs. Amita Sethi is spouse of Mr. Atul Kumar Sethi and Mother of Mr. Akash Sethi. |

| | |
|---|---|
| No. of Equity Shares as on 31st March 2021 | 1,15,124 |
| % of Equity Shares held as on 31 st March 2021 | 3.20% |
| List of outside Company directorship held | Nil |
| Chairman / Member of the Committees of the Board of Directors of the Company | Nil |
| Chairman / Member of the Committees of the Board Directors of other Companies in which he is director | Nil |

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

PLACE: Pithampur
DATE: 13/08/2021

_____
Harshita Jindal
Company Secretary

Registered Office:
Plot No. 15, Sector-II,
Industrial Area, Pithampur,
Dhar, M.P. - 454775

# BOARD'S REPORT

To
The Members,
Shree Pacetronix Limited,
Pithampur, District Dhar, M.P., 454775

Your Directors have immense pleasure in presenting Thirty -Third Board's Report of Shree Pacetronix Limited, together with the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2021.

1. State of Affairs, Financial Performance and Future Outlook:

a. Financial Performance

The financial highlights and summarized financial results of the Company are given below:

(In Rupees)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | Year ended 2020- 2021 | Year ended 2019- 2020 | Year ended 2020- 2021 | Year ended 2019- 2020 |
| Revenue from operations | 7,55,95,238 | 8,76,03,994 | 7,55,95,238 | 8,76,51,994 |
| Other Income | 4,80,682 | 3,88,836 | 5,43,378 | 4,37,548 |
| Total Expenses [excluding interest & depreciation] | 6,46,74,642 | 7,53,03,859 | 6,64,06,980 | 7,58,76,112 |
| Profit before Interest, Depreciation & Tax | 1,14,01,278 | 1,26,88,971 | 97,31,636 | 1,22,13,430 |
| Less: Depreciation | 50,94,470 | 50,66,530 | 50,94,696 | 50,67,324 |
| Less: Interest | 32,03,662 | 34,89,928 | 33,17,996 | 36,10,627 |
| Profit/(Loss) Before Tax | 31,03,146 | 41,32,513 | 13,18,944 | 35,35,479 |
| Less: Tax Expenses | | | | |
| Current Tax | 16,03,665 | 17,45,449 | 16,04,230 | 17,49,707 |
| Deferred Tax | (3,35,800) | (3,67,600) | (8,15,210) | (5,86,750) |
| Net Profit/(Loss) after Tax | 18,35,281 | 27,54,664 | 5,29,924 | 23,72,522 |
| Attributable to: | | | | |
| Equity Holders | - | - | 5,31,065 | 23,72,872 |
| Non-controlling interest | - | - | (1,141) | (350) |
| Add: Amount brought forward from Last Year | 1,38,54,430 | 1,10,99,766 | 1,25,20,758 | 1,01,47,886 |
| Balance carried forward to Balance Sheet | 1,56,89,711 | 1,38,54,430 | 1,30,51,823 | 1,25,20,758 |

The Company's financial statements for the year ended March 31, 2021 are the financial statements prepared in accordance with Indian Accounting Standards (IND -AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and as applicable.

Standalone: During the Financial Year ended on 31st March, 2021 , your Company has achieved on standalone basis an operational turnover and other income of Rs. 7 60.76 Lakhs as against an operational turnover and other income of Rs. 879.93 Lakhs in the previous Financial Year and the Profit after Tax of Rs. 18.35 Lakhs as against Profit after Tax of Rs. 27.55 Lakhs in the previous Financial Year.

b. Performance of Subsidiary and overall contribution to the performance of the Company

The Company has one subsidiary named 'Shree Coratomic Limited'. On consolidated basis, your Company has achieved operational turnover and other income of Rs. 761.39 Lacs as against an operational turnover and other income of Rs. 880.92 Lacs in the previous Financial Year and the Profit after Tax of Rs. 5.30 Lacs as against Profit after Tax of Rs. 23.73 Lacs in the previous Financial Year. The subsidiary on its standalone

basis reported loss during the year and its overall performance is reduced as against the previous financial year. However, the subsidiary is striving hard to improve its performance and contribute to the growth of the Company.

c. Operations And Future Outlook

The Company is one among the Corporates which are operating in global market for Pacemaker. Pacemakers are medical devices that are used to impart electrical pulses to the heart, so as to ensure normal heart rate. Pacemakers are used to treat patients who are suffering from heart conditions, such as heart failure and arrhythmias. These devices are implanted under patient's chest by cardiologist to deal with various indications and used for the treatment of heart medical complications/conditions.

The global pacemakers market was worth USD 4.4 Billion in the year 2020. The market is estimated to grow at a CAGR of 3%, earning revenue of USD 5.4 Billion by the end of 2027. The global pacemakers market is being driven by an aging population and rising incidences of cardiac ailments, as well as technological advancements in the healthcare sector. Furthermore, the government is shaping the global pacemakers sector by taking fruitful steps and increasing reimbursement policies on a global scale.

Currently, Majority of the players operating in the Indian market are foreign companies. Stiff competition exists among these players. Your Company is looking forward to cover major Indian market in coming years. Further, the Company is serving to other Countries also and planning to reach far beyond Indian boundaries. This will also help our nation to save crucial foreign exchange.

Your Company will remain focused on its agenda of superior revenue growth, cost consciousness and improving the overall margin profile of the Company simultaneously focusing on the welfare of the society being its most concerned responsibility.

We have already reached a milestone of over 1,00,000 implants in India and beyond. This has been truly possible through the continued commitment to Research and Development and a vision to serve our people.

The Prime Minister's 'vocal for local' mantra has also brought out the significance for our local brands to have a global presence. India is the biggest and the fastest-growing market in the world for the majority of the product categories. With a more than 30 years of experience, we continue to aspire with great zeal and vigour to realize our PM's mission of “Make in India” and “Self Reliance”.

d. Change in nature of Business

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

e. Changes in Share Capital

During the Financial Year 2020-2021 there was no change in capital structure of the Company. The paid up equity capital as on March 31, 2021 was Rs. 3,59,94,000 (Rupees Three Crores Fifty Nine Lakhs and Ninety Four Thousand Only) divided into 35,99,400 equity shares of Rs. 10/- each. 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. None of the Directors of the company hold instruments convertible into equity shares of the Company.

f. Revision of Annual Financial Statements

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

2. Transfer to Reserves

During the year the Company has not transferred any amount to the general reserves or any other reserves as the Company retains the entire amount of profits as retained earnings.

3. Dividend

Your Directors have not recommended any Dividend for the year under review.

4. Deposits

During the year under review, the Company did not accept any deposits within the meaning of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.Further, the Company has not accepted any deposit or loans in contravention of the provisions of the Chapter V of the Companies Act, 2013 and the Rules made there under.

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 to which financial statements relate and as on date of this report.

6. Annual Return

Pursuant to provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company for Financial Year 2020-21 is available on the Company's website at weblink http://www.pacetronix.com/products/leads/dsp-bipolar-lead-3952-vb/other-shareholders-information/

7. Subsidiary, Associate Companies or Joint Ventures of the Company

Subsidiary:

The Company has one Indian subsidiary “Shree Coratomic Limited”. In accordance with Section 129 of the Companies Act, 2013, a separate statement containing salient features of the financial statement of the subsidiary of the Company forms part of Annual Report in the prescribed Form AOC-1 as Annexure I.

Further, the Company has also formulated a policy for determining 'material' subsidiary which is available on the website of the Company at www.pacetronix.com.

Associate Company or Joint Venture: The Company does not have any joint venture or associate Company at the beginning or closing or any time during the year 2020-2021.

8. Consolidated Financial Statements

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company and its subsidiary, which forms part of this Annual Report is prepared in accordance with the relevant Indian Accounting Standards (IND-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133, as applicable along with other relevant provisions of the Act.

During the year under review, no Company has become or ceased to be a subsidiary of the Company.

In terms of Section 136 of the Companies Act, 2013 ('the Act'), the Financial Statements of the subsidiary and related detailed information will be kept at the Registered Office of the Company and also at the registered office of the Subsidiary Company and will be available to the members of the Company on their request. They are also available on the website of the Company at www.pacetronix.com.

9. Particulars of contracts or arrangements with Related Parties

During the financial year 2020-2021, all contracts/ arrangements/ transactions entered into by the Company with its related parties were reviewed and approved by the Audit Committee and the Board. Prior omnibus approvals were obtained from the Audit Committee for related party transactions which were of repetitive nature, entered in the ordinary course of business and on an arm's length basis. No transaction with any related party was in conflict with the interest of the Company.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

There are no material contracts or arrangements or transactions during the year. Thus, the disclosure in Form AOC-2 under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

The Company has adopted a Related Party Transactions Policy and the same is uploaded on the Company's website http://www.pacetronix.com/investor-corner/policies/ .

Suitable disclosures as required under Indian Accounting Standards (Ind AS-24) have been made in the Note-35 to the Standalone financial statements.

## 10.Directors and Key Managerial Personnel

At the year ended March 31, 2021, the Board of Directors comprised of four Executive directors including one women director and four Non-Executive Independent Directors. The Company has one Chief Financial Officer and a Company Secretary.

### Independent Directors:

The Independent Directors on the Board of the Company comprise of Mr. Sushil Kumar Patni, Mr. Rajesh Kumar Bhale, Mr. Varun Rawat & Mr. Mahesh Purohit.

### Declaration by Independent Directors

All Independent Directors of the Company have furnished 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 Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year. Independent Directors have also submitted declaration that they have registered themselves on the online data bank of Indian Institute of Corporate Affairs (IICA) in accordance with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

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 and the Rules made there under and as per Regulation 25 of SEBI (LODR) Regulations, 2015.

Independent Directors are not liable to retire by rotation, in terms of Section 149(13) of the Act.

### Change in Directors and Key Managerial Personnel:

During the year under review, there was no change in Composition of Board of Directors and Key Managerial Personnel of the Company.

The Members at the 32nd Annual General Meeting of the Company held on 29th September, 2020, approved the appointment of Mr. Akash Sethi (DIN: 08176396) Joint Managing Director, who was liable to retire by rotation and being eligible offered himself for reappointment.

Further, the members at the 32nd Annual General Meeting of the Company, have re-appointed Mr. Akash Sethi (DIN: 08176396) as a Joint Managing Director of the Company for a further term of 3 years i.e. from 14th August, 2021 to 13th August, 2024 and also re-appointed Mr. Vikas Gokhale (DIN: 05193393) as a Whole Time Director of the Company for a further term of 3 years i.e. from 30thJanuary, 2021 to 29thJanuary, 2024.

Director liable to Retire By Rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mrs. Amita Sethi (DIN: 00245722), Whole Time Director of the Company is liable to retire by rotation and being eligible, offers herself for reappointment at the ensuing 33rd Annual General Meeting.

Your directors recommend to pass necessary resolution as proposed in the Item No. 2 of the Notice of the 33rd Annual General Meeting.

Disqualifications of Directors:

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

Further the Certificate from Practicing Company Secretary certifying that none of the directors of the company disqualified for holding office as director of the Company is enclosed with this Board Report.

11.Committees of the Board of Directors

The Board has three committees which have been constituted in compliance with the requirements of the relevant provisions of applicable laws and statutes. The following are the details of the Board Committees during the Financial Year 2020-2021:

a. Audit Committee
b. Nomination & Remuneration Committee
c. Stakeholders Relationship Committee

a. Audit Committee:
1. Sushil Kumar Patni – Chairperson
2. Mahesh Purohit – Member
3. Rajesh Kumar Bhale - Member

b. Stakeholder Committee:

1. Sushil Kumar Patni – Chairperson
2. Mahesh Purohit – Member
3. Atul Kumar Sethi – Member

c. Nomination and Remuneration Committee:

1. Sushil Kumar Patni – Chairperson
2. Mahesh Purohit – Member
3. Rajesh Kumar Bhale - Member

Audit Committee
At the year ended March 31, 2021, the Company has an adequately qualified and experienced Audit Committee with Mr. Sushil Kumar Patni as Chairperson, Mr. Mahesh Purohit as Member and Mr. Rajesh Kumar Bhale, as Member. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

The details with respect to other Committees, their compositions, powers, roles and terms of reference, Meetings held and attendance of the Directors at such Meetings of the Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Report.

12.Meetings of the Board of Directors and its committees

a. Board Meetings: During the year under review the Board has met 6 (Six) times viz. June 17, 2020; July 30,2020; August 25, 2020; November 10, 2020; January 02, 2021; February 13, 2021;

The details of meetings of the Board and the attendance of Directors at such Meetings are provided in the Corporate Governance Report.

b. Committee Meetings: During the year under review, the Committees duly met and the details of the Meetings held and attendance at such Meetings, are provided in the Corporate Governance Report.

c. Separate Meeting of Independent Director: During the year under review, a separate meeting of Independent Directors was held on February 13, 2021. Details of the attendance of the Directors at such Meeting and detail about familiarisation programme, is provided in the Corporate Governance Report.

13.Nomination and Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other Senior Management Personnel which is being approved and adopted by the Board and has been posted on the website of the Company and can be accessed through web link http://www.pacetronix.com/investor-corner/policies/.

Salient Features of the policy: The policy covers the following:

1. Definitions
2. Objective of the Committee
3. Appointment Criteria for Directors and Key Management Personnel.
4. Additional Criteria for Appointment of Independent Directors.
5. Tenure of the Directors.
6. Removal of the Director, KMP or Senior Management Personnel
7. Remuneration Criteria for Non Executive Directors,
8. Remuneration criteria for Directors & Key Managerial Personnel & senior management.
9. Criteria for Evaluation of Performance of Independent Directors and the Board of Directors.

The Nomination and Remuneration Policy of the Company is placed on the Company's website at http://www.pacetronix.com/wp-content/uploads/2019/10/Nomination%20and%20Remuneration%20Policy.pdf

Other Policies:
The other policies adopted by the Company pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations are placed on the Company's website at http://www.pacetronix.com/investor-corner/policies/.

14.Performance Evaluation of the Board
Pursuant to the provisions of section 134(3)(p) of Companies Act 2013 and Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidance Note on Board Evaluation issued by the Institute of Company Secretaries of India and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017, the Nomination and Remuneration Committee of the Company has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors.

The Board of Directors has carried out an annual performance evaluation of its own performance, the Directors and the Committees. Performance evaluation of independent Directors was in accordance with Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is done by the entire board, excluding the director being evaluated. The performance evaluation of the Executive Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The criteria on the basis which the evaluation has been carried out are explained in the Corporate Governance Report.

The performance of the board was evaluated by the board after seeking inputs from all the Directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and

functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the committee was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of the committee, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual director on the basis of criteria such as the contribution of the individual directors to the board and committee meeting like preparation on the issues to be discussed, meaningful and constructive contribution and inputs in meeting, etc.

15.Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

a. In the preparation of the Annual Accounts for the financial year ended 31st March, 2021, 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 31st March 2021 and of the profit for the year ended on that period.
c. The Directors have 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 have 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 have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

16. Auditors:

a. Statutory Auditors

The Auditors, M/s Ajay Sharma & Company, Chartered Accountants (ICAI Firm Registration No. 013306C), who were appointed for a term of five years from 28th Annual General Meeting held on 30th September 2016 shall hold the office till the ensuing 33rd Annual General Meeting. Pursuant to section 139 and other applicable provisions of the Companies Act, 2013, it is mandatory to rotate the existing statutory auditors on completion of the maximum term permitted under the said section.

The Audit Committee of the company at their meeting held on 13thAugust, 2021 has recommended and the Board of Directors of the company at their meeting held on 13thAugust, 2021 has proposed the appointment of M/s S. R. Naredi & Co., Chartered Accountant (FRN 002818C) as the Statutory Auditors of the company. Statutory Auditor will hold office for a period of 5 consecutive year from the conclusion of 33rd Annual General Meeting of the company till the conclusion of the 38thAnnual General Meeting to be held in the year 2026.

The Company has received a certificate from the Statutory Auditors confirming their eligibility and willingness for their appointment and affirmation that the appointment is in accordance with Section 139 read with Section 141 of the Act.

In accordance with Notification No. GSR 432(E) issued on 07th May, 2018 by the Ministry of Corporate Affairs the appointment of statutory auditors is not required to be ratified at every Annual General Meeting.

Explanation to Auditor's Remark

The Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

Reporting of fraud by Statutory Auditors

There was no fraud in the Company, which was required to report by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

b. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Ms. Shraddha Jain, Practicing Company Secretary, Indore (M.P.) to conduct Secretarial Audit of the Company for the financial year 2020-2021. The Secretarial Audit Report for the financial year ended 31st March 2021 is annexed herewith marked as Annexure II to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks or disclaimer.

c. Cost Record and Cost Audit

The Company does not fall within the provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014 as amended from time to time, therefore no such records required to be maintained.

d. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13(1)(a) of Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed M. J. Lunkad & Co., Chartered Accountant, Indore (Firm Registration No. 003057C),to conduct internal audit of the Company for the financial year 2020-2021.

17. Internal Financial Controls and its adequacy

Your 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 for financial year 2020-2021is entrusted to M. J. Lunkad & Co., Internal Auditors. 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.

18. Particulars of loans, guarantees or investments

During the Financial Year 2020-2021, your Company has not given any loan, guarantee or made investments in any body corporate in terms of section 186 of the Companies Act, 2013. Details of investment and guarantee covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 3 and 31 forming part of the financial statements of the Company.

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

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached as Annexure III to this report.

## 20.Risk Management

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and efficient manner. The Company as part of business strategy has in place a mechanism to identify, assess, monitor risks and mitigate various risks with timely action.

## 21.Corporate Social Responsibility

The Company does not fall under the provisions of the Section 135 of the Companies Act, 2013 and the rules made their under. Hence the obligations under section 135 of the Companies Act, 2013 are not applicable to the Company.

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

During the year under review, there are no significant or material orders passed by the Regulators/ Courts which would impact the future operations/ going concern status of the Company.

## 23.Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, SEBI(PIT) Regulations, 2015 and SEBI (LODR) Regulations, 2015,the Company has in place a Vigil Mechanism Policy under which the employees are free to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.The policy is posted on the website of the Company at www.pacetronix.com. It is hereby affirmed by the Board that no personnel have been denied access to the Audit Committee to lodge their grievances.

## 24.Commission received by directors from holding / subsidiary Company

None of the directors has received any commission from the subsidiary Company during the financial year 2020-2021 and the Company does not have any holding Company.

## 25.Disclosure of ratio of remuneration of Directors and Key Managerial Personnel

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 IV and forms the part of this Board Report.

## 26.Particulars of Employees

During the year, there was no employee drawing remuneration in excess of Rs. 1,02,00,000/- p.a. or Rs. 8,50,000/- 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.

Further, during the year, none of the employees (other than directors of the Company) along with his spouse and dependent children holds two percent of the equity shares of the Company.

Further the particulars of top ten employees in terms of remuneration drawn required under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and name of employees receiving remuneration in excess of that drawn by the Managing Director or Whole-time director is enclosed as Annexure V and forms the part of this Board Report.

## 27.Chief Financial Officer and Managing Director Certification

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Joint Managing Director and Chief Financial Officer of the Company have certified to

the Board regarding the Financial Statements for the year ended 31st March, 2021 which is enclosed as Annexure VI and forms the part of this Board Report.

### 28.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.

### 29.Disclosure regarding issue of Employee Stock Options

The Company has not issued shares under employee's stock options scheme pursuant to provisions of Section 62 read with Rule 12 of Companies (Share Capital and Debenture) Rules, 2014.

### 30.Disclosure regarding issue of Sweat Equity Shares

The Company has not issued sweat equity shares pursuant to provisions of Section 54 read with Rule 8 of Companies (Share Capital and Debenture) Rules, 2014 during the Financial Year.

### 31.Corporate Governance Report

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] the corporate governance provisions as specified in Regulations 17,17A, 18, 19, 20, 21, 22, 23, 24,24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable on the Company as the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs. 25 Crores as on the last day of the immediate previous financial year.

Hence on 11th July, 2020 and on 06th October, 2020 your Directors intimated to Stock exchange regarding non applicability of above corporate governance provisions for the financial year 2020-2021. However your Company has voluntary followed Corporate Governance Practice as far as possible.

As a good corporate governance practice, your Directors present the Report on Corporate Governance provisions as prescribed under SEBI (LODR) Regulations, 2015 for the year ended 31st March 2021 to have more transparency and disclosures, and the same is attached with this report as Annexure – VII.

Certificate from Practicing Company Secretary confirming compliance of the Corporate Governance Practice is also attached as Annexure-VIII to this Report.

### 32.Management Discussion and Analysis Report

Management Discussion and Analysis Report in pursuance of requirement of Para B of Schedule V SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as Annexure – IX and forms the part of this Board Report..

### 33.Listing at Stock Exchange

The Equity shares of the Company are listed on BSE Limited, Mumbai and the Listing Fee for the year 2020-2021 has been duly paid.

The Company has complied with SEBI (LODR) Regulations, 2015 including payment of Annual Listing Fees up to March 31, 2022 to BSE Limited.

### 34.Compliance of Secretarial Standard

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

35.Insurance

The Company's assets are adequately insured against the loss of fire and other risks, as consider necessary by the Management from time to time.

36.Business Responsibility Report

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is not applicable to the Company for the financial year ending March 31, 2021.

37.Depository System

The Company's shares are tradable compulsorily in electronic form and the Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). As per the SEBI (Listing Obligations & Disclosure Requirements) (Fourth Amendment) Regulations, 2018,vide Gazette notification dated June 8, 2018 and November 30, 2018, Share transfer shall be mandatorily carried out in dematerialized form only w.e.f from April 1, 2019. In view of the notification, members are requested to avail the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

38.Provision of Voting by Electronic Means through remote e-voting and e-voting at the AGM:

Your Company is providing E-voting facility as required under section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015. The ensuing AGM will be conducted through VC/OVAM and no physical meeting will be held and your company has make necessary arrangements with CDSL to provide facility for remote e-voting and e-voting at AGM. The details regarding e-voting facility is being given with the notice of the Annual General Meeting.

39.Environment and Safety

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

40.Industrial Relations

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere, hard work, loyal, dedicated efforts and contribution of all the employees in the growth and performance of the Company during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing processes at the Company's plant and facilities to maintain high awareness levels. The Company as a policy re-evaluates safety standards and practices from time to time in order to raise the bar of safety for its people as well as users and customers.

41.Disclosures as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Constitution of Internal Complaints Committee:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Policy has also been posted on the website of the Company and can be accessed through web link http://www.pacetronix.com/wp-content/uploads/2019/10/Sexual%20Harassment%20Policy.pdf.

Pursuant to Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Directors has constituted Internal Complaints Committee in the Company for the purpose of redressal of the complaints of the women employees and for rendering all assistance to the woman employee making the complaint.
During the year under review, the Company has not received any grievance/complaint from any women employee.

42.Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and their status:

There are no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

43.Details of difference between amount of the Valuation done at the time of One Time Settlement and the Valuation done while taking loans from the Banks or Financial Institution along with the reasons thereof:

There are no such events occurred during the period from April 01, 2020 to March 31, 2021, thus no valuation is carried out for the one-time settlement with the Banks or Financial Institutions.

44.Acknowledgements

Your Directors place on record, their sincere appreciation and deep gratitude to all the Government and semi government departments and Company's Bankers, for the assistance and co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of Customer, Vendors, Employees and all other stakeholders for valuable contribution in the working and growth of the Company.

For and on behalf of the Board of
Shree Pacetronix Limited

Date: 13/08/2021
Place: Pithampur

| Atul Kumar Sethi | Akash Sethi |
|---|---|
| Managing Director | Joint Managing Director |
| (DIN:00245685) | (DIN: 08176396) |

# ANNEXURE- I

Form AOC-1
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate Companies/joint ventures

Part "A": Subsidiaries

[Information in respect of each subsidiary to be presented with amounts in Rupees (INR)]

| S. No. | Particulars | Details |
|---|---|---|
| 1. | Name of the subsidiary | Shree Coratomic Limited |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same as of Holding Company |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA |
| 4. | Share capital | 80,07,000 |
| 5. | Reserves & surplus | (26,40,196) |
| 6. | Total Assets | 2,11,28,643 |
| 7. | Total Liabilities | 1,57,61,839 |
| 8. | Investments | - |
| 9. | Turnover (includes other income) | 65,196 |
| 10. | Profit before taxation | (17,84,202) |
| 11. | Provision for taxation | (4,78,845) |
| 12. | Profit after taxation | (13,05,357) |
| 13. | Proposed Dividend | NA |
| 14. | % of shareholding | 99.91% |

1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1. Associates and Joint Ventures: NA
2. Names of associates or joint ventures which are yet to commence operations: NA
3. Names of associates or joint ventures which have been liquidated or sold during the year: NA

For Ajay Sharma & Company
Chartered Accountants

Ajay Sharma
Proprietor
M. No. 404968

Date: 13/08/2021
Place: Indore

For and on behalf of the Board of Directors of
SHREE PACETRONIX LIMITED

Atul Kumar Sethi
Managing Director
(DIN: 00245685)

Date: 13/08/2021

Akash Sethi
Joint Managing Director
(DIN: 08176396)

Place: Pithampur

# ANNEXURE-II

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the* Companies *(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Shree Pacetronix Limited
(CIN: L33112MP1988PLC004317)
Plot No. 15, Sector II, Industrial Area,
Pithampur, District Dhar (M.P.)-454775

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHREE PACETRONIX LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(I) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;which is not applicable to the Company during the Audit Period.

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; which is not applicable to the Company during the Audit Period.

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; which is not applicable to the Company during the Audit Period.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;which is not applicable to the Company during the Audit Period

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;which is not applicable to the Company during the Audit Period and

I) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and Committees of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not incurred any specific event /action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Indore
Date: 13/08/2021

Signature: _____
Shraddha Jain
ACS No: 39488
C P No: 14717
UDIN: A039488C000781383

Note: This report is to be read with our Letter of even date which is annexed as Annexure herewith and forms an integral part of this report.

ANNEXURE to Secretarial Audit Report

To,
The Members,
Shree Pacetronix Limited
(CIN: L33112MP1988PLC004317)
Plot No. 15, Sector II, Industrial Area,
Pithampur, District Dhar (M.P.)-454775

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore
Date: 13/08/2021

Signature: _____
Shraddha Jain
ACS No: 39488
C P No: 14717
UDIN: A039488C000781383

# ANNEXURE – III

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021 is given here below and forms part of the Directors' Report.

A. Conservation of Energy:

i. The steps taken or impact on conservation of energy

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- Up-gradation of machineries and installation of new machineries based on fuel or power efficiency.
- Monitoring the maximum demand and power load factor on daily basis.
- Replacement of inefficient machines with energy efficient machines.

ii. The steps taken by the Company for utilizing alternate sources of energy:
No alternate source used in the financial year 2020-2021.

iii. Capital Investment on Energy Conservation Equipments: NIL

B. Technology Absorption:

i. The efforts made towards technology absorption
Research & Development activities are being carried out as part of the Company's normal business activities. The Company is regular in adding new equipments for testing.

ii. The benefits derived like increase in productivity and cost reduction
Product Improvement, Cost reduction & Product development activities are the ongoing processes in the Company.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
The Company is using manufacturing technology which is entirely indigenous.

iv. Expenditure on R&D:
The Company has made the expenditure towards Research and Development of an amount Rs. 23,29,025/-

C. Foreign Exchange Earnings and Outgo-

Amount in Rupees

| S.No | Particulars | 31.03.2021 | 31.03.2020 |
|---|---|---|---|
| 1 | Foreign Exchange earned | | |
| | ➢ FOB Value of Exports | 81,31,068 | 39,81,651 |
| TOTAL EARNINGS | | 81,31,068 | 39,81,651 |
| 2 | Expenditure in Foreign Exchange: | | |
| | ➢ Foreign travel | 10,33,646 | 7,34,670 |
| | ➢ Fees for Technical Services | 30,464 | - |
| | ➢ Capital Goods | - | - |
| | ➢ Raw Materials (CIF Value of Imports) | 1,92,40,659 | 2,51,48,561 |
| | ➢ R&D | 4,570 | - |
| | ➢ Repair to Machinery | 3,68,980 | - |
| | ➢ Business Promotion | 3,07,287 | - |
| TOTAL EXPENDITURE | | 2,09,85,606 | 2,58,83,231 |

# ANNEXURE – IV

Details pertaining to remuneration as 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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-2021, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021:

| S. No | Name of Director/KMP | Designation | Remuneration of Directors/ KMPs for Financial Year 2020-2021 | Remuneration of Directors/ KMPs for Financial Year 2019-2020 | % increase in Remuneration in the Financial Year | Ratio of Remuneration of each Director to median remuneration of employees |
|---|---|---|---|---|---|---|
| 1. | Mr. Atul Kumar Sethi | Managing Director | 25,20,000 | 24,00,000 | 5% | 17.5:1 |
| 2. | Mrs. Amita Sethi | Whole-Time Director | 6,00,000 | 6,00,000 | - | 4.17:1 |
| 3. | Mr. Vikas Gokhale | Whole-Time Director | 10,26,000 | 9,66,000 | 6.21% | 7.13:1 |
| 4. | Mr. Akash Sethi | Joint Managing Director | 12,00,000 | 12,00,000 | - | 8.33:1 |
| 5. | Mr. Sushil Kumar Patni | Non-Executive Independent Director | - | - | - | - |
| 6. | Mr. Mahesh Purohit | Non-Executive Independent Director | - | - | - | - |
| 7. | Mr. Varun Rawat | Non-Executive Independent Director | - | - | - | - |
| 8. | Mr. Rajesh Kumar Bhale | Non-Executive Independent Director | - | - | - | - |
| 9. | Mr. Ashok Atulkar | Chief Financial Officer | 2,49,122 | 2,33,862 | 6.53% | - |
| 10. | Ms. Harshita Jindal | Company Secretary | 2,40,000 | 2,17,500 | 10.34% | - |

The percentage increase in the median remuneration of employees in the financial year -

There was a decrease in the median remuneration of employees in the financial year by 2.21%.

i. The number of permanent employees on the rolls of Company as on March 31, 2021: 58

ii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

There was decrease in Average percentile of the salaries of employees other than the managerial personnel in the financial year i.e. 2020-2021 by 1.18%

The increase in remuneration of Key Managerial Personnel is not solely based on Company's performance but also includes various other factors like individual performance, experience, relevant expertise, skills, academic background, industry trends, economic situation and future growth prospects etc. besides Company's performance and there were no exceptional circumstances for increase in the managerial remuneration in comparison to remuneration of other employees.

iii. The key parameters for any variable component of remuneration availed by the directors are approved by the Board of Directors based on the recommendation of Nomination & Remuneration Committee.

iv. Affirmation that the remuneration is as per the Remuneration Policy of the Company
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of
Shree Pacetronix Limited

Date: 13/08/2021
Place: Pithampur

Atul Kumar Sethi
Managing Director
(DIN:00245685)

Akash Sethi
Joint Managing Director
(DIN: 08176396)

# ANNEXURE –V

Details pertaining to remuneration as required under section 197(12) of the Companies Act , 2013, read with rule 5(2) & 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time for the year ended 31st March,2021

| S. N. | Name | Designation | Remuneration received during the Financial Year (In Rs.) | Nature of employment, whether contractual or otherwise | Qualification and Experience | Date of Joining | Age (In years) | Last Employment | whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager | the percentage of equity shares held by the employee in the company |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Mr. Atul Kumar Sethi | Managing Director | 25,20,000 | Contractual | MBA (Marketing), 24 years | 11.01.1988 | 59 | -- | 1. Mr. Akash Sethi<br>2. Mrs. Amita Sethi | Self :19.60%<br>Spouse: 3.20%<br>Children: 1.45% |
| 2 | Mr. Akash Sethi | Joint Managing Director | 12,00,000 | Contractual | Master of Science, 6 years | 14.08.2018 | 30 | -- | 1. Mr. Atul Kumar Sethi<br>2. Mrs. Amita Sethi | Self :0.35% |
| 3 | Mr. Vikas Gokhale | Whole-Time Director | 10,26,000 | Contractual | M tech, 20 years | 30.01.2012 | 46 | -- | -- | -- |
| 4 | Mrs. Amita Sethi | Whole-Time Director | 6,00,000 | Contractual | MA, 19 years | 01.12.2010 | 55 | -- | 1. Mr. Atul Kumar Sethi<br>2. Mr. Akash Sethi | Self : 3.20%<br>Spouse: 19.60%<br>Children: 1.45% |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 5 | Mr. Mayur Dilip Bhusari | General Manager, Production | 6,97,687 | Regular | Graduate, 15 years | 01.01. 2006 | 47 | -- | -- | -- |
| 6 | Mr. Pradip Tyagi | Assistant Quality control | 6,68,092 | Regular | Graduate, 13 years | 19.03. 2007 | 35 | -- | -- | -- |
| 7 | Mr. Murtaza Faizee | Regional Sales Manager | 4,89,638 | Regular | Graduate, 24 years | 11.01. 1988 | 47 | -- | -- | -- |
| 8 | Mr. Sumit Chakarba rti | Regional Marketin g Manager | 4,27,500 | Regular | Graduate, 22 years | 01.12. 1997 | 64 | CADILA | -- | -- |
| 9 | Mr. Arvind Mishra | Engineer at Tool Room Departm ent | 4,20,000 | Regular | Post Graduate, 13 years | 21.02. 2014 | 35 | Man Trucks | -- | -- |
| 10 | Vijay Kumar Soni | Lead Quality Control Manager | 3,59,964 | Regular | Graduate, 24 years | 01.09. 1996 | 45 | -- | -- | -- |
| 11 | Rajesh Bhauraoji Wath | Temp Pacemak er Quality Control Manger | 3,49,001 | Regular | Graduate, 21 years | 01.07. 1999 | 50 | -- | -- | -- |
| 12 | Vipul Bhatt | C.R.M., Pacemaker Marketing | 3,43,208 | Regular | B.Sc. Physics, 31 years | 15.02. 2018 | 54 | Emerge nt Meditec h | -- | -- |
| 13 | Mr. Rabin Chakrabo rty | Sales Manager | 3,35,000 | Regular | Graduate, 16 years | 01.06. 2003 | 56 | -- | -- | -- |
| 14 | Mr. Indranil Gupta | Regional Marketin g Manager | 3,20,246 | Regular | Graduate, 14 years | 01.03. 2004 | 51 | -- | -- | -- |
| 15 | Dilshad Khan | Pacemak er Technicia n (technical Departm ent) | 2,97,792 | Regular | B.Ed., 6 years | 10.02. 2017 | 32 | Biotroni cs | -- | -- |

1. All the above employees are permanent employees of the Company.

For and on behalf of the Board of
Shree Pacetronix Limited

Date: 13/08/2021
Place: Pithampur

Atul Kumar Sethi
Managing Director
(DIN:00245685)

Akash Sethi
Joint Managing Director
(DIN: 08176396)

# ANNEXURE-VI

## COMPLIANCE CERTIFICATE

[As per Regulation 17 (8) of SEBI (LODR) Regulations, 2015]

To,
The Board of Directors,
Shree Pacetronix Limited
Plot No 15, Sector-II,
Industrial Area,
Pithampur Dist. Dhar-454775

Dear Members' of the Board,

We, Atul Kumar Sethi, Managing Director and Ashok Atulkar, Chief Financial Officer of Shree Pacetronix Limited, to the best of our knowledge, information and belief, certify that:

1. We have reviewed Audited Financial Statements (Standalone and Consolidated) for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

   a. These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   b. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. We further certify, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and have not noticed any deficiency that need to be rectified or disclosed to the Auditors and the Audit.

4. We have indicated to the auditors and the Audit committee that there is:

   a. No significant change in internal control over financial reporting during the year;

   b. No significant change in accounting policies during the year under review, and

   c. No instance of any fraud in the company in which the management or an employee has any role.

For and on behalf of the Board of
Shree Pacetronix Limited

Date: 30/06/2021
Place: Pithampur

Ashok Atulkar
Chief Financial officer

Atul Kumar Sethi
Managing Director

# ANNEXURE VII

## CORPORATE GOVERNANCE REPORT

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable on the Company as the paid up capital of the Company is less than Rs. 10 Crores and the net worth of the Company is less than Rs. 25 Crores as on the last day of the previous financial year.

Hence on 11th July, 2020 and on 06th October, 2020 your Directors intimated to Stock exchange regarding non applicability of above corporate governance provisions for the financial year 2020-2021.

However your Company believes in Good Corporate Governance Practices, so the Directors present the Report on Good Corporate Governance for the year ended 31st March 2021 to have more transparency and disclosures.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance and goals are met with integrity. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance at Shree Pacetronix Limited has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system. The fundamental principle of Corporate Governance is achieving sustained growth legally and ethically and in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion. The Company firmly believes and has consistently practiced good Corporate Governance.

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all phases of its operation and dealing with its shareholders, employees, lenders, creditors, customers and the government. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition. The Board of Directors of the Company, by considering itself as trustee of its shareholders, aims at maximizing shareholders wealth and protecting the interest of all stakeholders.

### 2. BOARD OF DIRECTORS

The Board of Directors along with its committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

#### a. Composition & Category

The Composition of Board of Directors is governed by the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

| Name of Director | Category |
|---|---|
| Mr. Akash Sethi | Promoter, Executive Director |
| Mr. Atul Kumar Sethi | Promoter, Executive Director |
| Mrs. Amita Sethi | Promoter, Executive, Woman Director |
| Mr. Vikas Gokhale | Executive Director |
| Mr. Sushil Kumar Patni | Non- Executive Independent Director |
| Mr. Mahesh Purohit | Non- Executive Independent Director |
| Mr. Rajesh Kumar Bhale | Non- Executive Independent Director |
| Mr. Varun Rawat | Non- Executive Independent Director |

In accordance with the compliances, Board has an optimum combination of Executive & Non -Executive Directors.

The Board comprised of:

| Category | No. of Directors | Percentage (%) |
|---|---|---|
| Executive Directors | 4 | 50 |
| Non- Executive Independent Directors | 4 | 50 |
| TOTAL | 8 | 100 |

All Directors possess relevant qualifications and experience in general corporate management, marketing, finance and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

All Independent Directors of the Company have been appointed as per the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. Independent Directors play an important role in deliberations at the Board Meetings and bring to the Company their wide experience in the field of Business and Industry.

The Company has issued formal letter of appointment to all the Independent Directors on their appointment explaining inter -alia, their roles, responsibilities, terms of appointment, code of conduct, functions and duties. The terms and conditions of their appointment are disclosed on the Company's website at www.pacetronix.com .

All the Independent Directors (IDs) of the Company, have given a declaration affirming compliance to the criteria of independence pursuant to Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.These were placed before the Board. The Board, based on the declaration(s) received from the IDs, have verified the veracity of such disclosures and confirmed that the IDs fulfil the conditions of Independence specified in the SEBI (LODR) Regulations, 2015 and are independent of the management of the Company.

In the opinion of the Board, each Independent Director possesses appropriate balance of skills, experience and knowledge, as required.

b. Details of Directors of the Company who holds Directorship in another Company:

| Name of Director | Name of the Company | Category | Designation |
|---|---|---|---|
| Atul Kumar Sethi | Shree Coratomic Limited | Public Unlisted Company | Director |
| Vikas Gokhale | Shree Coratomic Limited | Public Unlisted Company | Director |
| Akash Sethi | Shree Coratomic Limited | Public Unlisted Company | Director |
| Sushil Kumar Patni | Shree Coratomic Limited | Public Unlisted Company | Director |

c. The Names of Other Listed Entities where the Directors have Directorship and their Category of Directorship in such Listed Entities: None of the Director is holding Directorship in any other listed Company.

d. Reason of Resignation of Independent Directors:
There is no resignation of any independent Director during the Financial Year 2020-2021.

e.Key Board Qualifications, Expertise and Attributes

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

1. Knowledge on Company's businesses, policies and business culture major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.

2. Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.

3. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.

4. Financial and Management skills.

5. Technical / Professional skills and knowledge in relation to Company's busines s.

DIRECTORS HAVING SUCH SKILL AND COMPETENCIES

| NAME OF DIRECTORS | SKILLS | | | | |
|---|---|---|---|---|---|
| | Knowledge on Company's businesses etc. | Behavioural skills | Business Strategy, Sales & Marketing etc | Financial and Management skills | Technical / Professional skills etc. |
| Mr. Atul Kumar Sethi | Yes | Yes | Yes | Yes | Yes |
| Mr. Akash Sethi | Yes | Yes | Yes | Yes | Yes |
| Mrs. Amita Sethi | Yes | Yes | Yes | Yes | Yes |
| Mr. Vikas Gokhale | Yes | Yes | Yes | Yes | Yes |
| Mr. Sushil Kumar Patni | Yes | Yes | Yes | Yes | Yes |
| Mr. Mahesh Purohit | Yes | Yes | Yes | Yes | Yes |
| Mr. Rajesh Kumar Bhale | Yes | Yes | Yes | Yes | Yes |
| Mr. Varun Rawat | Yes | Yes | Yes | Yes | Yes |

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

f. Board Procedure and its Meetings

The Board meets at least once in every quarter to review the results and other items on the agenda. The agenda is circulated well in advance to the Board/Committee members, along with comprehensive background information on the items in the agenda to enable the Board and Committees to arrive at appropriate decisions.

The Board in its meeting reviews the existing policies and programmes and also formulates various strategies for the betterment of the Company and enhancement of stakeholder's value. The Board considers matters relating to business, production, finance, marketing, personnel, materials and general administration also. The intervening gap between the two Board meetings was in compliance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

During the Financial year, the Board met 6(Six) times on:

17th June , 2020 , 30th July , 2020 , 25th August, 2020, 10th November, 2020 , 02nd January, 2021, 13th February , 2021 .

g. Details of attendance of each Director at Board Meetings and at the last year's Annual General Meeting with particulars of their other Directorships and Chairman/ Membership of Board Committees showing the position as at 31st March, 2021 are given in the following table

| Name of the Director | Category | Attendance at Board meetings attended during 2020-2021 | Attendance at last AGM held on 29th September 2020 | No. of Directorships (including this Company) | No. of Committee membership position (including this company) | | Share holding |
|---|---|---|---|---|---|---|---|
| | | | | | As Chairman | As Member | |
| Mr. Atul Kumar Sethi (DIN: 00245685) | Promoter, Executive Director | 4 | Yes | 2 | - | 1 | 705506 |
| Mrs. Amita Sethi (DIN: 00245722) | Promoter, Executive, Woman Director | 5 | Yes | 1 | - | - | 115124 |
| Mr. Akash Sethi (DIN: 08176396) | Promoter, Executive Director | 5 | Yes | 2 | - | - | 12699 |
| Mr. Vikas Gokhale (DIN: 05193393) | Executive Director | 6 | Yes | 2 | - | - | - |
| Mr. Sushil Kumar Patni (DIN: 00245754) | Non-Executive Independent Director | 6 | Yes | 2 | 3 | 3 | - |
| Mr. Mahesh Purohit (DIN:07560407) | Non-Executive Independent Director | 5 | No | 1 | - | 3 | - |
| Mr. Rajesh Kumar Bhale (DIN: 01933024) | Non-Executive Independent Director | 5 | No | 1 | - | 2 | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Mr. Varun Rawat (DIN: 08203524) | Non-Executive Independent Director | 4 | No | 1 | - | - | - |

Note: Committee membership(s) and Chairmanship(s) are counted separately.

h. Separate Meeting of Independent Directors

Pursuant to the Regulation 25(3) of the SEBI (LODR) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on Saturday, 13th February, 2021 without the attendance of non-independent directors and members of management. They discussed following at the meeting:

- Reviewed and evaluated the performance of Non-Independent Directors.
- Reviewed the performance of the Board of Directors as a whole.
- Assessed the quality, quantity 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 meeting.

I. Familiarization Programme

The Company has adopted a policy on familiarization program for Independent Directors with the objective of familiarizing them with the Company, its operations, Business Model, Business Strategy, nature of the industry and environment in which it operates, the regulatory environment applicable to it, and also the roles, rights and responsibilities of Independent Directors. The policy can be accessed at http://www.pacetronix.com/investor-corner/policies/

j. Inter-se relationship among directors

Mrs. Amita Sethi and Mr. Atul Kumar Sethi are spouse. Mr. Akash Sethi is son of Mr. Atul Kumar Sethi & Mrs. Amita Sethi. Except them, there are no relationships between the Directors of the Company, inter-se.

k. Note on Directors Appointment/ Re-appointment

Members at the 32nd Annual General Meeting of the Company held on 29th September, 2020, approved the re-appointment of Mr. Vikas Gokhale (DIN: 05193393) as a Whole-Time Director of the Company for a further term of 3 years i.e. from 30th January, 2021 to 29th January 2024 and further approved the re-appointment of Mr. Akash Sethi (DIN: 08176396), as a Joint Managing Director of the Company for a further term of 3 years i.e. from 14thAugust, 2021 to 13thAugust, 2024.

1. COMMITTEES OF THE BOARD

Board has three Committees, viz:

a. Audit Committee
b. Nomination and Remuneration Committee
c. Stakeholder Relationship Committee

The above said Committees consist of majority of Independent Directors. The quorum for the Meetings is either two directors or one third of the members of the Committee, whichever is higher.

a. AUDIT COMMITTEE

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. All the members of the committee are financially literate and have accounting and financial management expertise.

i. Terms of reference

The terms of reference of the Audit Committee includes the matters specified in Part C of Schedule II to the SEBI (LODR) Regulations, 2015 and also as required under Section 177 of the Companies Act, 2013 which includes oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of systems and controls, approval or any subsequent modification of transactions of the Company with related parties, review report of the internal auditor etc.

ii. Composition and Meetings:

The Audit Committee comprised of 3 (three) Directors, all of them are Independent Directors. The Audit Committee is chaired by Mr. Sushil Kumar Patni who is an independent director.

During the financial year ended on 31st March, 2021, 5 (Five) Audit Committee Meetings were held and the dates on which the said meetings were held are as follows:

17th June , 2020, 30th July , 2020, 25 th August , 2020, 10th November , 2020 , 13th February , 2021 .

The Composition and attendance record of the members at the meeting is as under:

| Name | Category | Number of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Sushil Kumar Patni (DIN: 00245754) | Chairman, Independent Director | 5 | 5 |
| Mr. Mahesh Purohit (DIN: 07560407) | Member, Independent Director | 5 | 5 |
| Mr. Rajesh Kumar Bhale (DIN: 01933024) | Member, Independent Director | 5 | 5 |

b. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 178(1) of the Companies Act, 2013.

i. Terms of reference

The terms of reference of the Nomination and Remuneration Committee includes the matters specified in Part D of Schedule II to the SEBI (LODR) Regulations, 2015 which broadly includes determination and recommendation for appointment/removal of Executive, Non - Executive and Independent Directors to the Board etc.

ii. Composition and Meetings

The Nomination and Remuneration Committee comprised of 3 (three) Directors, all of them are Independent Directors. The Committee is chaired by Mr. Sushil Kumar Patni who is an independent director.

During the financial year ended on 31st March, 2021 Nomination and Remuneration Committee was held on: 25th August 2020 .

The composition and attendance record of the members at the meeting is as under:

| Name | Category | Number of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Sushil Kumar Patni (DIN: 00245754) | Chairman, Independent Director | 1 | 1 |

| | | | |
|---|---|---|---|
| Mr. Mahesh Purohit (DIN: 07560407) | Member, Independent Director | 1 | 1 |
| Mr. Rajesh Kumar Bhale (DIN: 01933024) | Member, Independent Director | 1 | 1 |

iii. Criteria for performance evaluation

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Executive Directors, Non-Executive Directors including Independent Directors and Board as a Whole.

The criteria for performance evaluation are as under:

For Non-Executive Directors including Independent Directors:

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance and contribution of Directors at Board and Committee meetings, study of agenda and active participation, discharge of other functions and responsibilities prescribed under law, monitoring the effectiveness of corporate governance practices, contribution to discussion on strategy, participate constructively and actively in committees of the Board, exercise of skills and diligence with due and reasonable care and to bring independent judgment to the Board, ability to bring in best practices from his/her experience, adherence to the code of conduct.

For Executive Directors:

The criteria for evaluation of Executive Directors, inter alia, includes his ability to conduct meetings, ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to protect positive image of the Company, abides by the legal obligations and code of conduct, maintaining high level of confidentiality, compliance with regulatory requirements, monitor the performance of management and satisfy himself with integrity of the financial controls.

For Board as a whole:

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction programme, No. of meetings held, team work, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members.

For Board Committee:

The criteria for evaluation of the Board Committee, inter alia, includes- Constitution of Committee, the terms of reference, independence of the Committee, reporting the Committees to the Board, Reviews its mandate and performance, proactive measures to perform its functions, suggestion and recommendation of committee, fulfillment of its functions as assigned by the Board, frequency of the Committee meetings, adequacy of attendance and participation in the Committee meetings, discussions and decision making.

iv. Remuneration of Directors

- Transactions with Non-executive Directors

  The non-executive directors of the Company do not have any material pecuniary relationship or transactions vis-à-vis Company. The Company is neither paying any remuneration to the Non-Executive/Independent Directors nor sitting fees for attending the Board meetings.

- Criteria for making payment

  As per the Nomination and Remuneration Policy of the Company which is placed on the Company's website at www.pacetronix.com .

- Remuneration to Executive Directors

  During the financial year, there were only 4 (Four) directors who are in the whole time employment of the company and drawing remuneration. The details of remuneration to the Executive Directors are as follows:

In Rupees (Rs.)

| Name of Directors | Designation | Salary p.a. | Benefits | Commission | Bonus | Total |
|---|---|---|---|---|---|---|
| Mr. Atul Kumar Sethi DIN: 00245685 | Managing Director | 25,20,000 | - | - | - | 25,20,000 |
| Mr. Akash Sethi DIN: 08176396 | Joint Managing Director | 12,00,000 | - | - | - | 12,00,000 |
| Mrs. Amita Sethi DIN: 00245722 | Whole time Director | 6,00,000 | - | - | - | 6,00,000 |
| Mr. Vikas Gokhale DIN: 05193393 | Whole time Director | 10,26,000 | - | - | - | 10,26,000 |

- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its Director/employees.
- No sitting Fees for attending the Board Meeting and/or Committee Meetings was paid to any Director of the Company during the financial year.
- The Company is not paying any remuneration to the Non-Executive/Independent Directors.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is constituted in accordance with the provisions of Regulation 20 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 178 of the Act.

i. Terms of reference

The Board has set up a Stakeholders Relationship Committee to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

ii. Composition and Meetings

The Stakeholders Relationship Committee comprised of 3 (three) Directors, out of which 2 (two) directors are Independent Directors and one Director is Executive Director. The Committee is chaired by Mr. Sushil Kumar Patni who is an independent director.

During the financial year ended 31st March, 2021,4 (four) Stakeholders Relationship Committee Meetings were held and the dates on which the said meetings were held are as follows:

17th June 2020 , 25th August2020, 10th November 2020 , 13th February 2021 .

The composition and attendance record of the members at the meeting is as under:

| Name | Category | Number of Meetings | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Sushil Kumar Patni (DIN: 00245754) | Chairman, Independent Director | 4 | 4 |
| Mr. Atul Kumar Sethi (DIN: 00245685) | Member, Executive Director | 4 | 4 |
| Mr. Mahesh Purohit (DIN: 07560407) | Member, Independent Director | 4 | 4 |

Details of the Complaints received to the Registrar and Share Transfer Agent of the Company are as below:

| S. No | Particulars of Investor Grievances | No. of Investors Grievances |
|---|---|---|
| 1. | Complaints received during the Year | NIL |
| 2. | Complaints disposed of during the Year | NIL |
| 3. | Complaints pending at the end of the Year | NIL |

Ms. Harshita Jindal, Company Secretary is the general compliance officer of the Company except specifically provided otherwise for specific purposes.

2. GENERAL BODY MEETINGS

a. Details of the General Body Meetings held during last three years:

| AGM/EGM | Date | Venue | Time | Whether any Special Business Transacted? |
|---|---|---|---|---|
| 32nd AGM | 29th September 2020 | Video Conferencing (VC) or Other Audio Video Means (OAVM) for which purposes the registered office of the company was deemed as the venue for the Meeting. | 11:30 AM | Yes |
| 31stAGM | 28th September 2019 | Registered Office of the Company | 11:00 AM | Yes |
| 30th AGM | 29th September 2018 | Registered Office of the Company | 11:00 AM | Yes |

b. No Extra-ordinary General Meeting of the shareholders was held during the year.

c. No special resolutions were passed during 2019-2020 and 2020-2021 through postal ballot.

d. At present there is no proposal to pass any special resolution through postal ballot.

3. MEANS OF COMMUNICATION

a. Quarterly, Half Yearly and Annual Financial Results

The Board of Directors of the Company approves and takes on record the Quarterly, Half Yearly and Yearly Financial Results within 45/60 days of the end of the respective quarter in the proforma prescribed by SEBI (LODR) Regulations, 2015.

Note: Due to CoVID-19 Pandemic, the extension was allowed for declaration of results for the Quarter ended June 2020

Newspaper publications on Financial Results

The Quarterly/ Half yearly/ Annual Results of the Company are published in accordance with the SEBI (LODR) Regulations, 2015 in English and Hindi newspapers.

b. Website

The Company's website www.pacetronix.com contains a dedicated segment called 'Investors Corner', where all the information as may be required by the Shareholders is available including quarterly results, shareholding pattern, stock exchange disclosures, Annual Reports, Subsidiary Financials, Policies, additional disclosures, etc. in accordance with Regulation 46 and other prescribed regulations of SEBI (LODR) Regulations 2015.

c. Official Media releases and presentations made to Institutional Investors/Financial Analysts:

No official media releases and presentations are made by the Company.

4. GENERAL SHAREHOLDERS INFORMATION

a. Annual General Meeting

On Wednesday, 29th September, 2021 at 11:30 A.M. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") for which purposes the registered office of the Company situated at Plot No. 15, Sector-II, Industrial Area, Pithampur, District Dhar, Madhya Pradesh, 454775 shall be deemed as the venue for the meeting.

b. Financial Year: 1st April to 31st March.

c. Financial Calendar (Tentative)

| | |
|---|---|
| Results for the Quarter ending 30th June, 2021: | First Fortnight of August, 2021 |
| Results for the Quarter ending 30th September, 2021: | First Fortnight of November, 2021 |
| Results for the Quarter ending 31st December, 2021: | First Fortnight of February, 2022 |
| Results for the Quarter ending 31st March, 2022: | Last week of May, 2022 |

d. Dividend

The Board of Directors of the Company has not declared any dividend on equity share for the financial year 2020-2021.

e. Book Closure

From Thursday, 23rd September 2021 to Wednesday, 29th September 2021 (both days inclusive) for the purpose of 33rd AGM of the Company.

f. Listing:

i. Stock Exchange : BSE Limited

ii. Stock Code: 527005

iii. ISIN No.: INE847D01010

iv. Listing Fees has been paid for financial year 2020-2021.

g. Plant Location : Shree Pacetronix Limited
CIN: L33112MP1988PLC004317
Plot No. 15, Sector II, Industrial Area,
Pithampur, District Dhar (M.P.)
Pin code: 454775
Phone: 07292-411105,
Fax: 07292-400418
Email: pacetronix@hotmail.com

h. Investor Correspondence Address:

1. Registrars and Share Transfer Agents
Ankit Consultancy Private Limited
60, Electronics Complex, Pardesipura,
Indore (M.P.) - 452010
Phone- 0731-4065799 /97
Fax- 0731-4065798
E Mail Id: compliance@ankitonline.com , investor@ankitonline.com

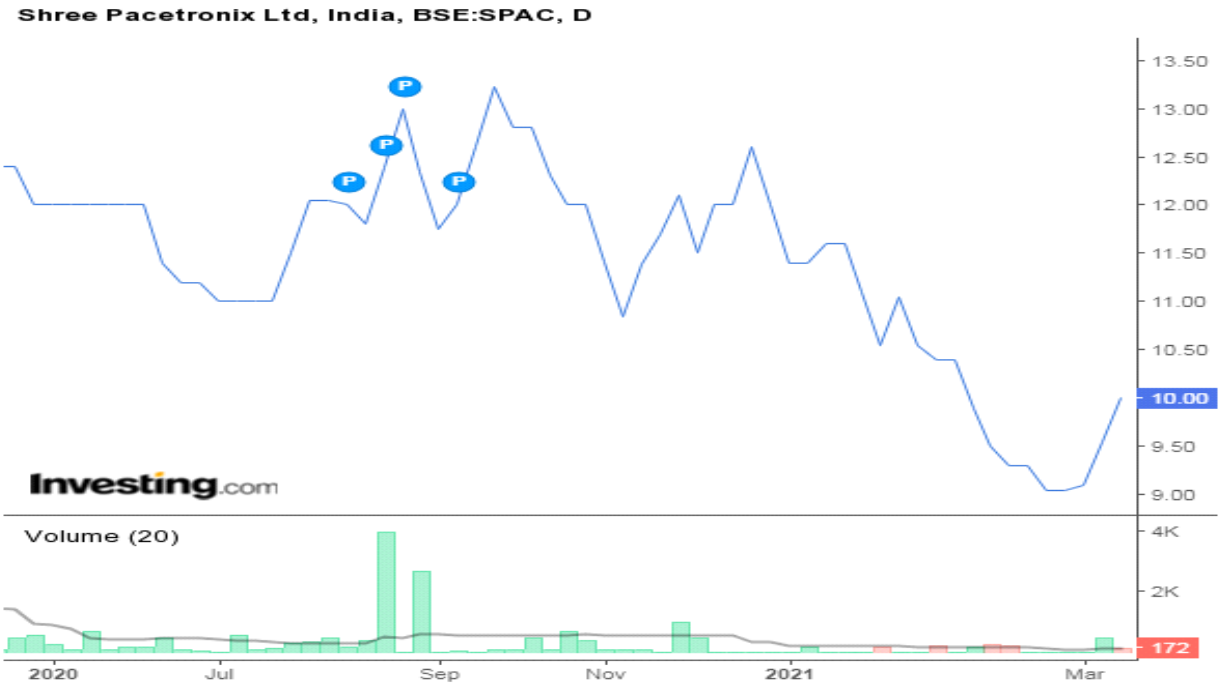
2. Compliance Officer/ Company Secretary
Shree Pacetronix Limited
Plot No. 15, Sector II, Industrial Area,
Pithampur, District Dhar (M.P.) - 454775
Phone: 07292-411105
Fax: 07292-400418
Email: pacetronix@hotmail.com

I. Stock Market Data:
Monthly High/Low/Close during each month at the BSE in the Financial Year 2020-2021:

In Rupees (Rs.)

| Year | High | Low | Close |
|---|---|---|---|
| March 2021 | 11.57 | 9.10 | 11.57 |
| February 2021 | 10.50 | 9.05 | 9.05 |
| January 2021 | 11.60 | 10.55 | 10.55 |
| December 2020 | 12.60 | 10.85 | 12.00 |
| November 2020 | 11.41 | 10.84 | 10.84 |
| October 2020 | 12.80 | 12.00 | 12.00 |
| September 2020 | 13.23 | 11.75 | 12.80 |
| August 2020 | 13.00 | 11.80 | 12.35 |
| July 2020 | 12.05 | 11.00 | 12.00 |
| June 2020 | 11.20 | 11.20 | 11.20 |
| May 2020 | - | - | - |
| April 2020 | 11.40 | 11.20 | 11.20 |

j. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc;



k. Registrars and Share Transfer Agent
Ankit Consultancy Private Limited
(SEBI Reg. No. INR 000000767)
60, Electronics Complex, Pardesipura,
Indore (M.P.)
Pin code: 452010
Phone- 0731- 4065799 /97
Fax- 0731-4065798
E mail Id: compliance@ankitonline.com , investor@ankitonline.com

l. Share Transfer System:
To expedite the process of share transfer, transmission, split, consolidation, dematerialization, redressal of the shareholder's grievances in this respect, the Board of Directors have delega ted the powers in respect of these matters to its Registrar and Share transfer Agent (RTA) – Ankit Consultancy Private Limited. Trading in Ordinary (Equity) Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. The Stakeholders Relationship Committee meets as and when required to, inter alia, consider the issue of duplicate share certificates/transmission case and attend to Shareholders' grievances, etc.

m. Distribution of shareholding as on 31st March, 2021

| Shareholding of Nominal value of Rs. Rs. | Number of Shareholders | Percentage of Total | Share Amount in Rs. | Percentage of Total |
|---|---|---|---|---|
| UPTO 1000 | 4483 | 80.41 | 4379220 | 12.17 |
| 1001 – 2000 | 525 | 9.42 | 1035360 | 2.88 |
| 2001 – 3000 | 126 | 2.26 | 366280 | 1.02 |
| 3001 – 4000 | 67 | 1.20 | 258970 | 0.72 |
| 4001 -- 5000 | 189 | 3.39 | 943160 | 2.62 |
| 5001 -- 10000 | 93 | 1.67 | 743350 | 2.07 |
| 10001 -- 20000 | 46 | 0.83 | 678830 | 1.89 |
| 20001 -- 30000 | 6 | 0.11 | 145170 | 0.40 |
| 30001 -- 40000 | 6 | 0.11 | 217250 | 0.60 |
| 40001 -- 50000 | 6 | 0.11 | 266520 | 0.74 |
| 50001 -- 100000 | 12 | 0.22 | 804740 | 2.24 |
| 100000 ABOVE | 16 | 0.29 | 26155150 | 72.67 |
| TOTAL | 5575 | 100.00 | 35994000 | 100.00 |

n. Dematerialization of shares as on 31.03.2021:

Trading in Company's equity shares is facilitated compulsorily in dematerialized form as per notification issued by SEBI. Th e break-up of holding of equity shares in physical and demat form as on 31 March, 2021 is as follows:

| Category | No. of Equity Shares of Rs. 10/- each | Percentage (%) |
|---|---|---|
| Total number of Demated shares with NSDL | 20,60,487 | 57.25 |
| Total number of Demated shares with CDSL | 7,11,774 | 19.77 |
| Physical | 8,27,139 | 22.98 |
| TOTAL | 35,99,400 | 100 |

Shareholders, who continue to hold their equity shares in physical form are requested to dematerialize their shares at the earliest and avail various benefits of dealin g in securities in electronic/dematerialized form. Further w.e.f 1st April, 2019 shares of the Company can only be deal in demat form.

Shareholding Pattern as on 31st March, 2021

| S.No | Category | No. of Shares Held | Percentage of Shareholding |
|---|---|---|---|
| 1. | Promoters & Promoter Group | 8,72,806 | 24.25 |
| 2. | Indian Corporate Bodies | 4,28,690 | 11.91 |
| 3. | Indian Public | 15,75,339 | 43.77 |
| 4. | NRIs/OCBs | 7,12,546 | 19.80 |
| 5. | Clearing Member | 100 | 0.00 |
| 6. | Foreign National | 9919 | 0.28 |
| TOTAL | | 35,99,400 | 100.00 |

**o.** Outstanding GDR's /ADR's /Warrant's /Convertible instruments and their impact on equity
The Company has not issued any GDRs/ADRs/Warrants or any convertible Instruments.

p. Commodity price risk or foreign exchange risk and hedging activities
The Company does not deal in any commodity or foreign exchange; hence it is not directly exposed to any commodity price risk or foreign exchange risk and hedging activities.

q. List of Credit Ratings obtained by the Company along with any revisions thereto during the relevant financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad :Not Applicable

5. DISCLOSURES:

a. Related Party Transactions

There are no materially significant re lated party transactions of the Company which have potential conflict with the interest of the Company at large. Further details of related party transactions are as per Indian Accounting Standards (Ind AS 24) and are presented in Note-35 to Financial Statement forming part of this Annual Report.

The Company has also formulated a Policy on Related Party Transactions which has been posted on the website of the Company and can be accessed through web link http://www.pacetronix.com/investor - corner/policies/

b. Details of non -compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

There were no such instance.

c. Vigil Mechanism/ Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism Policy under which the employees are free to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.The same is posted on the website of the Company at www.pacetronix.com. It is hereby affirmed by the Board that no personnel have been denied access to the Audit Committee to lodge their grievances.

d. Compliance with mandatory requirements

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015 during the year. The Company has not adopted any of the non-mandatory requirements of SEBI (LODR) Regulations, 2015. However, the Company has followed Corporate Governance provisions as far as possib le.

e. Disclosure of commodity price risks and commodity hedging activities

The Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.

f. Disclosure of Accounting Treatment

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133, as applicable along with other relevant provisions of the Act.

The company is duly following the Accounting Standards as applicable to the company.

g. Disclosure of Subsidiaries

The Company has 1 (one) unlisted Indian Public Company – Shree Coratomic Limited as its subsidiary as on 31st March 2021. The detail of subsidiary is provided in detailed manner in Directors' Report.

The performance of the subsidiary is monitored by the Company inter alia, by the following means:

- The Audit Committee reviews the financial statements of subsidiary, including the investments made by the subsidiary, if any, on a regular basis.
- Minutes of Board meetings of unlisted subsidiary are placed before the Board on a quarterly basis;
- A statement containing all significant transactions and arrangements entered into by unlisted subsidiary is placed before the Company's Board on a quarterly basis.

Pursuant to the requirements of the SEBI (LODR) Regulations, 2015 , the Company has adopted a policy for determining material subsidiaries. The policy is available on the Company's website at : http://www.pacetronix.com/investor-corner/policies/ .

Further, the annual accounts and related documents of the subsidiary company shall be kept open for inspection at the registered office of the company. Further, pursuant to IND AS 24 issued by the Institute of Chartered Accountants of India, Consolidated financial statements presented by the Company in this Annual Report include the financial information of its subsidiary.

6. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is a part of the Annual report and annexed separately.

7. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account/unclaimed suspense account.

8. Non-compliance of any requirement of corporate governance report of sub -paras (2) to (10) of Schedule V (c) of the Listing Regulations: NIL. Further the Corporate Governance Provisions as specified in SEBI (LODR) Regulations, 2015 are not applicable to the Company

9. Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted. NIL

10. Regulations 17 to 27 and Clauses (b) to (i) of sub -regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015 are not applicable to the Company. However, the Company has complied with Corporate governance provisions as far as possible.

11. CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015 and as amended from time to time, the Company has placed Code of Conduct for prohibition of Insider Trading on its website http://www.pacetronix.com/investor-corner/policies/ .

This code is applicable and binding on all the directors, designated persons and other connected persons of the Company. The code ensures that the specified persons deal in the shares of the Company only at a time when any price sensitive information that could be known to the employee is also known to the public at large.

12. CODE OF CONDUCT

In accordance with Regulation 17(5) of the SEBI Listing Regulations, 2015, the Company has adopted Code of Conduct for all the Board Members and senior management personnel including the code of conduct for Non-Executive Independent Directors and this code is available on Company's website at http://www.pacetronix.com/investor_corner/policies/. All Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2021.A declaration signed by the Managing Director to this effect is given below.

Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Atul Kumar Sethi, Managing Director of the Company hereby confirm that the Company has received declarations from all Board Members and Senior Management Personnel of the Company affirming compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2021.

The Code is available on the website of the Company at www.pacetronix.com

Date: 30/06/2021
Place: Pithampur

Signature_____
Atul Kumar Sethi
Managing Director
(DIN- 00245685)

13. TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY AND ITS SUBSIDIARY ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR

The Company has paid Total fees of Rs. 1, 20,000/- (Rupess One Lakh Twenty Thousand only) for financial year 2020-2021 for all services, to the Statutory Auditor of the Company.

Further, the Subsidiary Company has paid total fees of Rs. 35,000 (Rupees Thirty Five Thousand Only) to Statutory Auditor of the Subsidiary Company for financial year 2020-2021 for all services.

14. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULAT ION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46:

As per Regulation 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 20 15 ["SEBI (LODR) Regulations, 2015"] the corporate governance provisions as specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C , D and E of Schedule V are not applicable on the Company. Hence on 11$^{th}$July, 2020 and on 06$^{th}$ October, 2020 your Directors intimated to Stock exchange regarding non applicability of above corporate governance provisions. However your Company has voluntary followed Corporate Governance Practice as far as possible.

15. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE REGARDING NON -DEBARMENT AND NON-DISQUALIFICATION OF DIRECTORS

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authority, is annexed as Annexure X to this Report.

16.SEXUAL HARASSMENT POLICY

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. The Policy is also available on the Company's website, at http://www.pacetronix.com/investor-corner/policies/ . An Internal Complaint Committee has been set up to redress complaints received regarding sexual harassment. During the year no complaints of Sexual Harassment were received.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year: Nil
b. Number of complaints disposed of during the financial year: Nil
c. Number of complaints pending as on end of the financial year: Nil

17.The Company has not made any preferential allotment or qualified institutions placement and therefore, disclosure of details of utilization of funds raised through such sources is not applicable on the Company.

For and on behalf of the Board of
Shree Pacetronix Limited

Date: 13/08/2021
Place: Pithampur

| | |
|---|---|
| Atul Kumar Sethi | Akash Sethi |
| Managing Director | Joint Managing Director |
| (DIN:00245685) | (DIN: 08176396) |

# ANNEXURE-VIII

## CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To the Members of
Shree Pacetronix Limited
Plot No. 15, Sector-II, Industrial Area,
Pithampur, District Dhar,
Madhya Pradesh, 454775

I have examined the compliance of conditions of Corporate Governance by Shree Pacetronix Limited (hereinafter called "the Company"), for the financial year ended on March 31, 2021 as specified in Regulations 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "SEBI (LODR) Regulations, 2015"] for the period from 01st April, 2020 to 31st March, 2021.

As per Regulation 15 of SEBI (LODR) Regulations, 2015 the corporate governance provisions as specified above are not applicable on the Company and the Company intimated to Stock exchange on 11th July, 2020 and on 06th October, 2020 regarding non-applicability of specified corporate governance provisions for the financial year 2020-2021. However, this certificate is presented to have more transparency and disclosures.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the good Corporate Governance practices as stipulated in SEBI (LODR) Regulations, 2015 as far as possible.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore
Date: 13th August 2021

Signature: _____
Shraddha Jain
ACS No: 39488
C P No: 14717
UDIN: A039488C000781449

# ANNEXURE-IX

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### CAVEAT

Statements in the Management Discussion and Analysis, expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Further, shareholders are cautioned that certain data and information external to the Company is included in this section. Though these data and information are based on sources believed to be reliable, no representation is made on their accuracy or comprehensiveness. Furthermore, utmost care has been taken to ensure that the opinions expressed by the management here in contain their perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. Therefore, Shareholders are hereby advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives.

### GLOBAL MARKET

The medical devices industry in India consists of large multinationals as well as small and medium enterprises (SMEs) growing at an unprecedented scale.

The Medical device sector is projected to register a CAGR of almost 15% and is expected to reach $12 bn in 2021-22. The current market size of the medical devices industry in India is estimated to be nearly $10 bn.

India's medical devices industry is poised for significant growth in the next five years with the market size expected to reach $50 bn by 2025.

Furthermore, according to the World Health Organization, an estimated 17.9 million people die due to cardiovascular diseases worldwide, each year. This represents 31% of global deaths, which are majorly due to heart attack and stroke. Thus, the growing burden of cardiovascular diseases globally, along with the technological advancements in the development of novel pacemakers, is expected to drive the cardiac pacemakers market growth over the forecast period.

### GROWTH DRIVERS / OPPORTUNITIES

The Company is one among the Corporates which is operating in global market for Pacemaker. Pacemakers are medical devices that are used to impart electrical pulses to the heart, so as to ensure normal heart rate. Pacemakers are used to treat patients who are suffering from heart conditions, such as heart failure and arrhythmias. These devices are implanted under patient's chest by cardiologist to deal with various indications and used for the treatment of heart medical complications/conditions.

The pacemakers market is driven by various factors such as :

- Rising health-related problems:
  Cardiovascular diseases have now become the leading cause of death in India. The increasing prevalence of Cardiovascular Diseases (CVDs) such as bradycardia & tachycardia; increasing life expectancy; rise in obesity; type 2 diabetes; sedentary lifestyle & consumption of alcohol are the key factors driving the growth of the cardiac pacemaker devices market. CVDs can be treated by use of medical devices include pacemakers, prosthetic valves, and patches for closing holes in the heart.

- Increasing Technological Advancements:
  While the pacemaker has stood the test of time, technological innovations are helping to strengthen this life-saving device. With the advancement of technology, many new prospects for developing new and revolutionary medical implantable pacemakers with new and advanced electrical properties have opened up. This could help in the diagnosis and treatment of previously difficult-to-treat conditions like cardiovascular disorders. Many of the limitations associated with existing pacemakers have been targeted by researchers and product developers, and these advancements could bring about a new era of pacemaker technologies.

- Growing Healthcare Market in Developing Countries:
  The pacemakers market is growing rapidly due to the availability of affordable cardiac pacemakers in developing economies such as India, U.S., China, Vietnam, Indonesia, South Korea, and the Philippines. Furthermore, market growth is fueled by increasing government investments and the development of innovative pacemakers in developing economies.

RESTRAINTS, THREATS, RISK AND CONCERNS:

The medical device industry market is very dynamic and the key drivers impacting this sector are healthcare expenditure, technological development, aging population, and chronic diseases. Further emerging trends that impact the medical device industry include the changing medical technology landscape, software as a differentiator in medical devices, as well as design and manufacturing of patient portable or smaller devices. Stringent government rules and regulations for the development & manufacture of medical devices could hinder the growth of the market.

The healthcare supplies industry continues to face significant challenges both in India and internationally with the volume and complexity of change having greatly intensified the implication of risk. Regulatory risks, which are an inherent threat in the industry, are compounded by evolving regulations, new legislation and increased enforcement. To provide affordable healthcare, the Company will fully cooperate and partner with the Government on efforts focused towards ensuring access and increasing affordability of medicines while maintaining strong commitment on quality.

Impact of COVID-19 in the industry

The year 2020-2021 has witnessed volatility on macro-economic parameters globally due to COVID-19 impact. As the financial year 2020-2021 commences, the Novel Coronavirus (COVID-19) has infected more than millions of people in more than 150 countries - a scourge confronting all of humanity, impacting lifestyles, businesses, economies, and the assumption of common well-being. The situation has been aggravated by the demand, supply and liquidity shocks that COVID-19 has created. The novel coronavirus had severely affected patients suffering from cardiovascular disease. The spread of COVID-19 had triggered a humongous economic impact on the healthcare and medical device industry. Among patients with COVID-19, there is a high prevalence of CVD. With the continuous COVID-19 infections, the apprehension regarding a shortage of essential life-saving devices and other essential medical supplies in order to prevent the spread of this pandemic and provide optimum care to the infected also widens.

However, after the outbreak of the COVID-19 pandemic, several hospital wards have been transformed into COVID-19 units to combat the rising wave of the disease. In addition, several support units, including cardiology, have reallocated space and staff to become COVID19 units. The pacemakers market was negatively impacted by resource allocation and priority setting initiatives, such as redirecting personal protective equipment and hospital beds for patients with COVID19 and delaying elective cardiac procedures.

RISK FACTORS:

Risks associated with pacemaker system implant include, but are not limited to, infection at the surgical site and/or sensitivity to the device material, failure to deliver on time due to various factors.

Though it is not possible to completely eliminate various risks associated with the business of the Company, efforts are made to minimize the impact of such risks on the operations of the Company. The Company has put in place various internal controls for different activities so as to minimize the impact of various risks.

The following broad categories of risks to the business objectives are:-

1. Political and Economic Risk
The Company continuously evaluates the political and economic scenario across the globe.

2. Compliance Risks
Medical Device industry is one of the most dynamic industries across the globe. Changes in regulations by leading regulatory bodies to ensure the quality of the products have compelled the medical device companies to modify their compliance practices. The Company is committed to compliance.

3. Operational Risks
Inherent risks to business operations such as production capacities, quality assurance, customer demands, material availability, human safety and skilled manpower. Operational risks are assessed primarily in terms of process design and its effectiveness.

4. New product risk:
New product development and launch involves substantial expenditure, which may not be recovered due to several factors including development uncertainties, increased competition, regulatory delays lower than anticipated price realizations, delay in market launch and marketing failure.

In highly regulated business, the requirement to obtain regulatory approval based on a product's safety, efficacy and quality before it can be marketed for an indication in a particular country, as well as to maintain and comply with licenses and other regulations relating to its manufacture and marketing, are particularly important. The submission of an application to regulatory authorities (which vary, with different requirements, in each region or country) may or may not lead to the grant of marketing approval.

SEGMENT- WISE OR PRODUCT WISE PERFORMANCE:

The Company is engaged in only one segment i.e. manufacturing of pacemakers. Company has generated revenue of Rs. 755.95 Lacs during the financial year. However, the Company is continuously striving to improve its operational functionality and spread its geographical operational area.

OUTLOOK

The global pacemakers market was worth USD 4.4 Billion in the year 2020. The market is estimated to grow at a CAGR of 3%, earning revenue of USD 5.4 Billion by the end of 2027. The global pacemakers market is being driven by an aging population and rising incidences of cardiac ailments, as well as technological advancements in the healthcare sector. Furthermore, the government is shaping the global pacemakers sector by taking fruitful steps and increasing reimbursement policies on a global scale.

Currently, Majority of the players operating in the Indian market are foreign companies. Stiff competition exists among these players. Your Company is looking forward to cover major Indian market in coming years. Further, the Company is serving to other Countries also and panning to reach far beyond Indian boundaries. This will also help our nation to save crucial foreign exchange.

Your Company will remain focused on its agenda of superior revenue growth, cost consciousness and improving the overall margin profile of the Company simultaneously focusing on the welfare of the society being its most concerned responsibility.

We have already reached a milestone of over 1,00,000 implants in India and beyond. This has been truly possible through the continued commitment to Research and Development and a vision to serve our people.

The Prime Minister's 'vocal for local' mantra has also brought out the significance for our local brands to have a global presence. India is the biggest and the fastest-growing market in the world for the majority of the product categories. With a more than 30 years of experience, we continue to aspire with great zeal and vigour to realize our PM's mission of “Make in India” and “Self Reliance”.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has proper internal control system which provides adequate safeguards and effective monitoring of the transactions. The Company has comprehensive internal financial controls system for all major processes including financial statements to ensure reliability of reporting. The Company has appointed an internal auditor which carries out audit throughout the year. The Audit Committee of the Company regularly reviews the reports of the internal auditor and recommends actions for further improvement of the internal controls.The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board. 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.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year 2020-21, the Company has generated operational revenue of Rs. 755.95 Lacs during the financial year against the revenue of Rs. 876.04 Lacs in the Previous Financial Year. The Company's has earned a profit of Rs. 18.35 Lacs as compared to profit of Rs. 27.55 Lacs in previous Financial Year. The overall performance of the Company in the current year is affected as compared to the performance of the Company in Previous Year but the Company maintained the profitability. The Company is highly working on its commitments and growth. The Company's management is making regular efforts for improving operating efficiencies and increases its performance.

## HUMAN RESOURCES / INDUSTRIAL RELATIONS

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. The Company has built a competent team to handle challenging assignments. As on 31st March, 2021, there were 58 permanent employees on the roll of the Company. Our Company shares good industrial relations which improves the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. Complete unity of thought and action is placed in organization. It has increased the place of workers in the society. During the year, the Company has taken several initiatives to further strengthen its human resource base to meet its current & future growth plans. The Company strives to enhance the technical, work related and general skills of employees on a continuous basis. There was unity of purpose among the employees to continuously strive for all round improvements in work practices & productivity Industrial relations were cordial throughout the year at all locations.

During this Global COVID-19 Pandemic, the Company is taking utmost care of its employees and work force like sanitisation, social distancing, mandatory wearing of facemask and hand gloves, safe commuting facility, thermal check at the gate, maintaining proper hygiene.

## SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Details of significant changes (i.e. change of 25% or more as compared to immediately previous financial year) in key financial ratios, along with detailed explanations are as follows:

| S. No. | Particulars | Ratio in F.Y. 20 20-2021 | Ratio in F.Y. 2019-2020 | % of change | Explanations for material change (change of 25% or more) |
|---|---|---|---|---|---|
| 1. | Debtors Turnover Ratio | 1.91 | 2.51 | Decrease by 24.11% | Not Applicable |
| 2. | Inventory Turnover Ratio | 2.80 | 2.90 | Decrease by 3.65% | Not Applicable |
| 3. | Interest Cover age Ratio | 1.92 | 2.14 | Decrease by 10.41% | Not Applicable |
| 4. | Current Ratio | 1.64 | 1.56 | Increase by 5.11% | Not Applicable |

| | | | | | |
|---|---|---|---|---|---|
| 5. | Debt Equity Ratio | 0.81 | 0.81 | No change | Not Applicable |
| 6. | Operating Profit Margin | 8.59% | 8.86% | Decrease by 3.09% | Not Applicable |
| 7. | Net Profit Margin | 2.41% | 3.13% | Decrease by 22.94% | Not Applicable |

CHANGES IN RETURN ON NETWORTH

Return on net worth for FY 2020-2021 is 3.16% whereas return on net worth for FY 2019-2020 was 4.94%. Return on net worth is lower for the year ended 31 st March, 2021 due to decrease in the profit after tax as compared to previous year. The operational turnover of the Company is reduced to global market affected by COVID-19 and other business factors, which resultant in lower profit as compared to previous year.

DISCLOSURE IN ACCOUNTING TREATMENT

In the preparation of financial statements, no different treatment from that prescribed in applicable Accounting Standard has been followed.

For and on behalf of the Board of
Shree Pacetronix Limited

Date: 13/08/2021
Place: Pithampur

Atul Kumar Sethi
Managing Director
(DIN:00245685)

Akash Sethi
Joint Managing Director
(DIN: 08176396)

# ANNEXURE-X

## CERTIFICATE

[Pursuant to Regulation 34(3) and sub-clause (i) of clause (10) of Para C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
Shree Pacetronix Limited
Plot No. 15, Sector-II, Industrial Area,
Pithampur Dist. Dhar (M.P.) 454775

I have examined the relevant registers, returns and records maintained by Shree Pacetronix Limited ("the Company") having CIN L33112MP1988PLC004317 and registered office at Plot No. 15, Sector -II, Industrial Area, Pithampur Dist. Dhar (M.P.) 454775 , forms and disclosures received from the Directors of the Company, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3)read with sub-clause (i) of clause (10) of Para C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors' Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on March 31 st 2021, have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory Authority.

| Sr. No. | Name of Director | DIN | Nature/ Category of Directorship | Date of Appointment in the Company |
|---|---|---|---|---|
| 1. | Atul Kumar Sethi | 00245685 | Managing Director | 11/01/1988 |
| 2. | Amita Sethi | 00245722 | Wholetime Director | 01/12/2010 |
| 3. | Vikas Gokhale | 05193393 | Wholetime Director | 30/01/2012 |
| 4. | Akash Sethi | 08176396 | Joint Managing Director | 14/08/2018 |
| 5. | Sushil Kumar Patni | 00245754 | Independent Director | 30/04/2002 |
| 6. | Rajesh Kumar Bhale | 01933024 | Independent Director | 14/08/2018 |
| 7. | Mahesh Purohit | 07560407 | Independent Director | 14/08/2018 |
| 8. | Varun Rawat | 08203524 | Independent Director | 14/08/2018 |

Ensuring eligibility for the appointment / continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore
Date: 13th August 2021

Signature: _____
Shraddha Jain
ACS No: 39488; C P No: 14717
UDIN: A039488C000781427

# INDEPENDENT AUDITORS' REPORT

To The Members of Shree Pacetronix Limited

## Opinion

We have audited the accompanying Standalone financial statements of Shree Pacetronix Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. (hereinafter referred to as "the Standalone Ind As financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

## Basis of our opinion

We conducted our audit in accordance with the Standard on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit. we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”

g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For: Ajay Sharma & Company.
Chartered Accountants
Firm Registration No. 013306C
UDIN : 21404968AAAAAH8553

Place: Indore
Date : June 30, 2021

CA Ajay Sharma
Proprietor
Membership No. 404968

# "Annexure A" to Independent Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regularity Requirements section of our report of even date to the members of Shree Pacetronix Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2021.We report that:

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. As explained to us, the inventory of the Company has been physically verified by the management at reasonable intervals during the year and no material discrepancies have been noticed.

iii. The company has not granted any loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause (iii) [(a), (b), (c)] of the said Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect guarantee given on behalf of its subsidiary. The company has not given any loans and made investments covered under section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at March 31, 2021. Therefore, the provisions of Clause (v) of the said Order are not applicable to the Company.

vi. The Central government has not prescribed the maintenance of cost records under sub-section (l) of section 148 of the Companies Act, 2013for business activities carried out by the Company. Thus reporting under Clause (vi) of the said Order is not applicable to the Company.

vii.According to the information and explanations provided to us, in respect of statutory:

(a) The Company has generally been regular in depositing undisputed statutory dues including of provident fund, employees' state insurance, income tax, customs duty, Goods and services tax, custom duty, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) There are no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31,2021 for a period of more than six months from the date they became payable except Professional Tax of Rs. 1,51,733 and Bihar VAT of Rs. 54,030.

(c) There were no dues of income-tax, sales-tax, value added tax, Goods and service tax, customs duty, and excise duty which have not been deposited on account of any dispute.

viii.In our opinion and according to the information given to us, the Company has not defaulted in repayment of loans taken from banks or financial institutions during the year.

ix. The Company has not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans taken by the company during the year were applied for the purpose for which the loans were obtained;

x. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year in the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations provided and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalonefinancial statements as required by the applicable accounting standards.

xiv. The According to the information and explanations provided to us and on an overall examination of the records of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.Therefore, reporting under Clause 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations providedby the management, the Company has not entered into non-cash transactions with directors or persons connected to its directors as referred to in Section 192 of the Companies Act, 2013.

xvi.The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

For: Ajay Sharma & Company.
Chartered Accountants
Firm Registration No. 013306C
UDIN : 21404968AAAAAH8553

Place: Indore
Date : June 30, 2021

CA Ajay Sharma
Proprietor
Membership No. 404968

# "ANNEXURE B" TO AUDITOR'S REPORT

The Annexure referred to in paragraph 2(f)under 'Report on Other Legal and Regulatory Requirements' of our report of even dateto the members of Shree Pacetronix Limited on the standalone financial statements as of and for the year ended March 31, 2021.We report that:

## Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of theCompanies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shree Pacetronix Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1.Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2.Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company;
3.Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For: Ajay Sharma & Company.
Chartered Accountants
Firm Registration No. 013306C
UDIN : 21404968AAAAAH8553

Place: Indore
Date : June 30, 2021

CA Ajay Sharma
Proprietor
Membership No. 404968

## Balance Sheet as at March 31, 2021

(In INR Rs.)

| Particulars | Note | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2.1 | 25,976,517 | 23,743,311 |
| Capital work-in-progress | 2.2 | - | 1,142,444 |
| Intangible assets | 2.3 | 500,078 | 547,668 |
| Financial assets | | | |
| - Investments | 3 | 8,000,000 | 8,000,000 |
| - Other financial assets | 4 | 969,807 | 835,516 |
| Deferred tax assets (Net) | 5 | 1,783,590 | 1,447,790 |
| Total Non current assets | | 37,229,992 | 35,716,729 |
| Current assets | | | |
| Inventories | 6 | 19,550,947 | 19,973,883 |
| Financial assets | | | |
| - Trade receivables | 7 | 40,256,521 | 38,982,102 |
| - Cash and cash equivalents | 8 | 6,923,239 | 4,362,046 |
| - Loans | 9 | 23,110 | 5,000 |
| - Other financial assets | 10 | 466,440 | 232,745 |
| Other current assets | 11 | 2,499,071 | 4,124,426 |
| Total current assets | | 69,719,328 | 67,680,202 |
| TOTAL ASSETS | | 106,949,320 | 103,396,931 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share capital | 12 | 35,994,000 | 35,994,000 |
| Other equity | 13 | 22,975,819 | 21,140,538 |
| Total Equity | | 58,969,819 | 57,134,538 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 14 | 5,157,747 | 2,687,912 |
| - Other financial liabilities | 15 | 360,000 | 250,000 |
| Total Non-current Liabilities | | 5,517,747 | 2,937,912 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 16 | 19,589,992 | 20,177,042 |
| - Trade payables | 17 | 3,442,989 | 4,874,868 |
| - Other financial liabilities | 18 | 7,389,805 | 8,781,150 |
| Other current liabilities | 19 | 6,883,806 | 4,713,159 |
| Provisions | 20 | 3,805,162 | 3,278,262 |
| Income tax liabilities (net) | 21 | 1,350,000 | 1,500,000 |
| Total Current Liabilities | | 42,461,753 | 43,324,481 |
| TOTAL EQUITY AND LIABILITIES | | 106,949,320 | 103,396,931 |
| Significant Accounting Policies | 1 | | |
| The accompanying notes from an Integral part of the to the financial statements | 2 to 36 | | |

As per our report of even date attached

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## Statement of Profit and Loss Year Ended March 31, 2021

(In INR Rs.)

| Particulars | Note | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|---|
| Revenue from operations | 22 | 75,595,238 | 87,603,994 |
| Other income | 23 | 480,682 | 388,836 |
| Total revenue | | 76,075,920 | 87,992,830 |
| Expenses | | | |
| Cost of materials consumed | 24 | 26,371,265 | 31,057,448 |
| Changes in inventories of finished goods, work in progress and stock-in-trade | 25 | (73,582) | 2,547,472 |
| Employee benefit expense | 26 | 19,859,616 | 20,479,008 |
| Finance cost | 27 | 3,388,174 | 3,630,056 |
| Depreciation and amortisation expense | 2 | 5,094,470 | 5,066,530 |
| Other expense | 28 | 18,332,832 | 21,079,804 |
| Total expenses | | 72,972,774 | 83,860,317 |
| Profit/ (loss) before tax | | 3,103,146 | 4,132,513 |
| Tax expense | | | |
| Current tax | | 1,603,665 | 1,745,449 |
| Deferred tax | | (335,800) | (367,600) |
| Profit/ (loss) for the year | | 1,835,281 | 2,754,664 |
| Earnings per equity share of face value of 10 each | | | |
| a) Basic | | 0.51 | 0.77 |
| b) Diluted | | 0.51 | 0.77 |
| Significant Accounting Policies | 1 | | |
| The accompanying notes from an Integral part of the to the financial statements | 2 to 36 | | |

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

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Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## Statement of changes in equity for the year ended 31st March, 2021

A. Equity Share Capital (In INR Rs.)

| | Note | Amount |
|---|---|---|
| As at 1st April 2019 | | 3,599,400 |
| Changes in Equity Share during the year | | - |
| As at 31st March 2020 | | 3,599,400 |
| Changes in Equity Share during the year | | - |
| As at 31st March 2021 | | 3,599,400 |

B. Other Equity

| | Capital Investment Subsidy | Security Premium Reserve | Retained Earnings | Other Comprehensive Income | Total |
|---|---|---|---|---|---|
| As at 1st April 2019 | 1,500,000 | 5,786,108 | 11,099,766 | - | 18,385,874 |
| Profit for the year | - | - | 2,754,664 | - | 2,754,664 |
| Increase during the year | | - | | | - |
| Other Comprehensive income for the year | - | - | - | - | - |
| Total Comprehensive income for the year | - | - | 2,754,664 | - | 2,754,664 |
| As at 31st March 2020 | 1,500,000 | 5,786,108 | 13,854,430 | - | 21,140,538 |
| Profit for the year | - | - | 1,835,281 | - | 1,835,281 |
| Increase during the year | | - | - | | - |
| Other Comprehensive income for the year | - | - | - | - | - |
| Total Comprehensive income for the year | - | - | 1,835,281 | - | 1,835,281 |
| As at 31st March 2021 | 1,500,000 | 5,786,108 | 15,689,711 | - | 22,975,819 |

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## Cash Flow Statement as at March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss | 3,103,146 | 4,132,513 |
| Adjusted for: | | |
| Depreciation and Amortisation Expense | 5,094,470 | 5,066,530 |
| Interest Income | (255,241) | (257,812) |
| Interest paid | 3,388,174 | 3,630,056 |
| Profit on sale of fixed assets | (59,727) | (120,219) |
| | 8,167,676 | 8,318,555 |
| Operating Profit before Working Capital Changes | 11,270,822 | 12,451,068 |
| Adjusted for: | | |
| Trade & other Receivables | 99,131 | (7,692,392) |
| Inventories | 422,936 | 3,123,034 |
| Trade & Other Payables | (125,678) | 7,592,696 |
| | 396,389 | 3,023,338 |
| Cash Generated from Operations | 11,667,210 | 15,474,405 |
| Taxes Paid | (1,753,665) | (590,359) |
| NET CASH FROM OPERATING ACTIVITIES | 9,913,545 | 14,884,046 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Cash flow from Other financial assets | (134,291) | 922,831 |
| Sale of Fixed Assets | 590,000 | 190,000 |
| Purchase of Fixed Assets | (6,667,915) | (7,017,366) |
| Interest Income | 255,241 | 257,812 |
| Security Deposit from Customer | 110,000 | |
| NET CASH FROM INVESTING ACTIVITIES | (5,846,965) | (5,646,723) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings (Net) | 2,469,836 | (1,315,563) |
| Proceeds from Short Term Borrowings (Net) | (587,050) | (3,107,219) |
| Interest Paid | (3,388,174) | (3,630,056) |
| Security Premium | - | - |
| NET CASH RECEIVED/ (USED) IN FINANCING ACTIVITIES | (1,505,387) | (8,052,838) |
| Net Increase / Decrease (-) in Cash and Cash Equivalents | 2,561,193 | 1,184,484 |
| Opening Balance of Cash and Cash Equivalents | 4,362,046 | 3,177,562 |
| Closing Balance of Cash and Cash Equivalents | 6,923,239 | 4,362,045 |

As per our report of even date attached

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

# NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2021

## 1. Company overview and Significant accounting policies

### a) Company overview

Shree Pacetronix Ltd. ("the Company") is a listed entity incorporated in India. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

### b) Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis except for Certain financial assets and liabilities which have been measured at fair value amount. The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (`), which is also its functional currency.

### c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

Depreciation on property, plant and equipment is provided using written down value method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### d) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation/depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

| Particular | Depreciation |
|---|---|
| Technical know –how | Over a period of 10 years |

e) Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalized.

f) Finance Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

g) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. Cost of raw materials, chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

h) Impairment of Non-Financial Assets - Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

j) Employee Benefit Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

k) Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

-Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

l) Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

m) Revenue recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

Interest income

Interest income from a financial asset is recognised using effective interest rate method.

n) Financial instruments

i) Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B.Subsequent measurement

1.Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

C. Investment in subsidiaries

The Company has accounted for its investments in subsidiary at cost.

D. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial liabilities

E. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

F. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. Impairment of non-financial assets-property, plant and equipment and intangible assets. The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

o) Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

p) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS-7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. There were no significant reconciliation items between cash flows prepared under Indian GAAP and those Prepared under Ind AS.

q) Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

For and on behalf of the Board of Directors

| | |
|---|---|
| Atul Kumar Sethi | Akash Sethi |
| Managing Director | Joint Managing Director |
| DIN- 00245685 | DIN- 08176396 |
| Ashok Atulkar | Harshita Jindal |
| Chief Financial Officer | Company Secretary |

2.1 Property, Plant and Equipment

The change in the carrying value of property, plant and equipment for the year ended March 31,2021 were as follow:

| Particulars | Lease Hold Land | Buildings | Plant & Machineries | Furniture & Fixture | Vehicles | Office Equipments | Computers | Temporary Shed | Total |
|---|---|---|---|---|---|---|---|---|---|
| Gross Carrying value April 1, 2020 | 193350 | 14903735 | 60338181 | 4701088 | 10022696 | 1946026 | 3670978 | 245392 | 96021446 |
| Additions | 0 | 1861720 | 3254545 | 1114729 | 1472837 | 91020 | 15508 | 0 | 7810359 |
| Deletions | 0 | 0 | 0 | 0 | 1102954 | 0 | 0 | 0 | 1102954 |
| Gross Carrying value March 31, 2021 | 193350 | 16765455 | 63592726 | 5815817 | 10392579 | 2037046 | 3686486 | 245392 | 102728851 |
| Accumulated depreciation April 1, 2020 | 0 | 11024145 | 47100861 | 3365648 | 5486046 | 1641913 | 3414130 | 245392 | 72278135 |
| Depreciation for the year | 0 | 371851 | 2633994 | 395523 | 1473314 | 126167 | 46031 | 0 | 5046880 |
| Accumulated depreciation on deletions | 0 | 0 | 0 | 0 | 572681 | 0 | 0 | 0 | 572681 |
| Accumulated depreciation March 31, 2021 | 0 | 11395996 | 49734855 | 3761171 | 6386679 | 1768080 | 3460161 | 245392 | 76752334 |
| Carrying value as at March 31, 2021 | 193350 | 5369459 | 13857871 | 2054646 | 4005900 | 268966 | 226325 | 0 | 25976517 |
| Carrying value as at April 1, 2020 | 193350 | 3879590 | 13237320 | 1335440 | 4536650 | 304113 | 256848 | 0 | 23743311 |

The change in the carrying value of property, plant and equipment for the year ended March 31,2020 were as follow:

| Particulars | Lease Hold Land | Buildings | Plant & Machineries | Furniture & Fixture | Vehicles | Office Equipments | Computers | Temporary Shed | Total |
|---|---|---|---|---|---|---|---|---|---|
| Gross Carrying value April 1, 2019 | 193350 | 14903735 | 55916381 | 3627123 | 10431579 | 1740701 | 3603423 | 245392 | 90661684 |
| Additions | 0 | 0 | 4421800 | 1073965 | 106277 | 205325 | 67555 | 0 | 5874922 |
| Deletions | 0 | 0 | 0 | 0 | 515160 | 0 | 0 | 0 | 515160 |
| Gross Carrying value March 31, 2020 | 193350 | 14903735 | 60338181 | 4701088 | 10022696 | 1946026 | 3670978 | 245392 | 96021446 |
| Accumulated depreciation April 1, 2019 | 0 | 10612844 | 44679518 | 3280884 | 3933244 | 1600158 | 3352534 | 245392 | 67704574 |
| Depreciation for the year | 0 | 411301 | 2421343 | 84764 | 1998181 | 41755 | 61596 | 0 | 5018940 |
| Accumulated depreciation on deletions | 0 | 0 | 0 | 0 | 445379 | 0 | 0 | 0 | 445379 |
| Accumulated depreciation March 31, 2020 | 0 | 11024145 | 47100861 | 3365648 | 5486046 | 1641913 | 3414130 | 245392 | 72278135 |
| Carrying value as at March 31, 2020 | 193350 | 3879590 | 13237320 | 1335440 | 4536650 | 304113 | 256848 | 0 | 23743311 |
| Carrying value as at April 1, 2019 | 193350 | 4290891 | 11236863 | 346239 | 6498335 | 140543 | 250889 | 0 | 22957110 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

2.2 Capital work-in-progress

The change in the carrying value of capital work in progress for the year ended March 31,2021 were as follow:

| Particulars | Capital Work in Progress | Total |
|---|---|---|
| Gross Carrying value April 1, 2020 | 1142444 | 1142444 |
| Additions | 719276 | 719276 |
| Deletions | 1861720 | 1861720 |
| Gross Carrying value March 31, 2021 | 0 | 0 |
| Accumulated depreciation April 1, 2020 | 0 | 0 |
| Depreciation for the year | 0 | 0 |
| Accumulated depreciation on deletions | 0 | 0 |
| Accumulated depreciation March 31, 2021 | 0 | 0 |
| Carrying value as at March 31, 2021 | 0 | 0 |
| Carrying value as at April 1, 2020 | 1142444 | 1142444 |

The change in the carrying value of capital work in progress for the year ended March 31,2020 were as follow:

| Particulars | Capital Work in Progress | Total |
|---|---|---|
| Gross Carrying value April 1, 2019 | 0 | 0 |
| Additions | 1142444 | 1142444 |
| Deletions | 0 | 0 |
| Gross Carrying value March 31, 2020 | 1142444 | 1142444 |
| Accumulated depreciation April 1, 2019 | 0 | 0 |
| Depreciation for the year | 0 | 0 |
| Accumulated depreciation on deletions | 0 | 0 |
| Accumulated depreciation March 31, 2020 | 0 | 0 |
| Carrying value as at March 31, 2020 | 1142444 | 1142444 |
| Carrying value as at April 1, 2019 | 0 | 0 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

2.3 Intangible Assets

The change in the carrying value of Intangible Assets for the year ended March 31,2021 were as follow:

| Particulars | Intangible Asset | Total |
|---|---|---|
| Gross Carrying value April 1, 2020 | 8560814 | 8560814 |
| Additions | 0 | 0 |
| Deletions | 0 | 0 |
| Gross Carrying value March 31, 2021 | 8560814 | 8560814 |
| Accumulated depreciation April 1, 2020 | 8013146 | 8013146 |
| Depreciation for the year | 47590 | 47590 |
| Accumulated depreciation on deletions | 0 | 0 |
| Accumulated depreciation March 31, 2021 | 8060736 | 8060736 |
| Carrying value as at March 31, 2021 | 500078 | 500078 |
| Carrying value as at April 1, 2020 | 547668 | 547668 |

The change in the carrying value of Intangible Assets for the year ended March 31,2020 were as follow:

| Particulars | Intangible Asset | Total |
|---|---|---|
| Gross Carrying value April 1, 2019 | 8560814 | 8560814 |
| Additions | 0 | 0 |
| Deletions | 0 | 0 |
| Gross Carrying value March 31, 2020 | 8560814 | 8560814 |
| Accumulated depreciation April 1, 2019 | 7965556 | 7965556 |
| Depreciation for the year | 47590 | 47590 |
| Accumulated depreciation on deletions | 0 | 0 |
| Accumulated depreciation March 31, 2020 | 8013146 | 8013146 |
| Carrying value as at March 31, 2020 | 547668 | 547668 |
| Carrying value as at April 1, 2019 | 595258 | 595258 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

## Notes to the financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| **3 Non- current Investments** | | |
| Investment measured at cost | | |
| In Equity Shares of Subsidiary Company unquoted | | |
| 800000 fully paid up equity shares of Rs. 10 each of Shree Coratomic Ltd. | 8,000,000 | 8,000,000 |
| (Fair Market Value of Share of Shree Coratomic Ltd. is Rs.6.70 Per share) | 8,000,000 | 8,000,000 |
| **4 Other financial assets** | | |
| (Unsecured, considered good ) | | |
| Security and other deposits | 969,807 | 835,516 |
| | 969,807 | 835,516 |
| **5 Deferred tax assets (Net)** | | |
| The movement on the deferred tax account is as follows: | | |
| At the start of the year | 1,447,790 | 1,080,190 |
| Charge to Statement of Profit and Loss | 335,800 | 367,600 |
| At the end of year | 1,783,590 | 1,447,790 |
| Component of Deferred tax assets/(liabilities) | | |
| Deferred tax assets in relation to: | | |
| Property, plant and equipment | 850,530 | 644,740 |
| Provisions | 933,060 | 803,050 |
| Total | 1,783,590 | 1,447,790 |
| **6 Inventories** | | |
| Finished goods | 5,916,560 | 5,975,870 |
| Stock-in-process | 3,300,344 | 3,167,452 |
| Raw materials | 10,334,043 | 10,830,561 |
| | 19,550,947 | 19,973,883 |
| **7 Trade receivables** | | |
| (Unsecured, considered good ) | | |
| Trade receivables | 40,256,521 | 38,982,102 |
| | 40,256,521 | 38,982,102 |
| **8 Cash and cash Equivalents** | | |
| Cash on hand | 484,123 | 174,539 |
| FDR in Bank | 6,439,116 | 4,187,508 |
| Fixed deposits of 3371620/- with maturity of more than 12 | 6,923,239 | 4,362,046 |
| FDR Rs. 2953623/- kept as margin money deposits against gurantee | | |
| **9 Loans** | | |
| (Unsecured, considered good ) | | |
| Advance to employees | 23,110 | 5,000 |
| | 23,110 | 5,000 |
| **10 Other Financial Assets** | | |
| Accrued Interest on Fixed Deposit with Banks | 466,440 | 232,745 |
| | 466,440 | 232,745 |
| **11 Other current assets** | | |
| (Unsecured, considered good ) | | |
| Advance to vendors | 1,857,268 | 3,813,331 |
| Advances recoverable in cash or kind | 618,439 | 215,815 |
| Advance Tax | 23,364 | 95,280 |
| | 2,499,071 | 4,124,426 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

## Notes to the financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| 12 Share capital | | |
| Authorised | | |
| 50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each | 50,000,000 | 50,000,000 |
| Issued, subscribed and paid up | | |
| 35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up | 35,994,000 | 35,994,000 |
| | 35,994,000 | 35,994,000 |

(a) Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Reconciliation of number of shares

| Particulars | As at March 31st, 2021 No. of shares | As at March 31st, 2020 No. of shares |
|---|---|---|
| Balance as at the beginning of the year | 3,599,400 | 3,599,400 |
| Add: Shares issued during the year | - | - |
| Balance at the end of the year | 3,599,400 | 3,599,400 |

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | Percentage holding as at March 31, 2021 | Percentage holding as at March 31, 2020 |
|---|---|---|
| Mr. Atul Kumar Sethi<br>705506 (Previous year: 705506) shares of Rs.10 each | 19.60% | 19.60% |
| Bio Pace Technology<br>598087 (Previous year: 598087) shares of Rs.10 each | 16.62% | 16.62% |
| Mathew Samul Kalarickal<br>423032 (Previous year: 423032) shares of Rs.10 each | 11.75% | 11.75% |

| 13 Other Equity | March 31, 2021 Rupees | March 31, 2020 Rupees |
|---|---|---|
| Capital investment subsidy | | |
| Balance as per last Financial Statements | 1,500,000 | 1,500,000 |
| Balance as at the end of the year | 1,500,000 | 1,500,000 |
| Securities Premium | | |
| Balance as per last Financial Statements | 5,786,108 | 5,786,108 |
| Add: Increase during the year | - | - |
| Balance as at the end of the year | 5,786,108 | 5,786,108 |
| Surplus / (Deficit) in Statement of Profit and Loss | | |
| Balance as per last Financial Statements | 13,854,430 | 11,099,766 |
| Profit/ (Loss) for the year | 1,835,281 | 2,754,664 |
| Balance at the end of the year | 15,689,711 | 13,854,430 |
| | 22,975,819 | 21,140,538 |

For and on behalf of the Board of Directors

| | |
|---|---|
| Atul Kumar Sethi<br>Managing Director<br>DIN- 00245685 | Akash Sethi<br>Joint Managing Director<br>DIN-08176396 |
| Ashok Atulkar<br>Chief Financial Officer | Harshita Jindal<br>Company Secretary |

## Notes to the financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| **14 Borrowings** | | |
| Term loan - Secured | | |
| Axis Bank Ltd. (Car) | - | 791,447 |
| HDFC Bank Ltd. (Car) Breeza | - | 360,550 |
| HDFC Bank Ltd. (Car) Magnite | 258,146 | - |
| HDFC Bank Ltd. (Car) Innova | 299,602 | 598,770 |
| Bank of India | 4,600,000 | - |
| Term loan - Unsecured | | |
| Tata Capital | - | 937,145 |
| | 5,157,747 | 2,687,912 |
| Nature of security: | | |
| Secured loans | | |
| 1 Term loans from HDFC Bank Ltd and Axis Bank are secured by hypothecation of vehicles. | | |
| 2 Demand loan under STAR GECL from Bank of India is secured by Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar and guaranteed by National Credit Gurantee Trustee Company (NCGTC). | | |
| Maturity profile of long term borrowings | | |
| Secured loans | | |
| 2021-22 | - | 1,214,727 |
| 2022-23 | 3,119,245 | 436,726 |
| 2023-24 | 1,655,143 | 99,315 |
| 2024-25 | 383,359 | |
| Unsecured loans | | |
| 2021-22 | - | 937,145 |
| | 5,157,747 | 2,687,912 |
| **15 Other financial liabilities** | | |
| Deposit from customers | 360,000 | 250,000 |
| | 360,000 | 250,000 |
| **16 Borrowings (Current)** | | |
| Working capital loan - Secured | | |
| From Bank of india | 19,589,992 | 20,177,042 |
| | 19,589,992 | 20,177,042 |
| **17 Trade payables** | | |
| Sundry Creditor | 3,442,989 | 4,874,868 |
| | 3,442,989 | 4,874,868 |
| **18 Other financial liabilities** | | |
| Current maturities of long term debts* | 2,582,478 | 3,566,806 |
| Other payables | 4,807,327 | 5,214,344 |
| | 7,389,805 | 8,781,150 |

* It includes loan from Bank of India, Axis Bank, Tata Capital Finance Limited and HDFC Bank Ltd to be repayable within a period of one year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.

| | | |
|---|---|---|
| **19 Other current liabilities** | | |
| Statutory dues | 513,862 | 602,744 |
| Advance from customers | 6,369,944 | 4,110,416 |
| | 6,883,806 | 4,713,159 |
| **20 Provisions - Current** | | |
| Provision for Employee benefits | 3,805,162 | 3,278,262 |
| | 3,805,162 | 3,278,262 |
| **21 Income Tax Liabilities** | | |
| Provision for income tax | 1,350,000 | 1,500,000 |
| | 1,350,000 | 1,500,000 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

## Notes to the financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| 22 Revenue from operations | | |
| Sale of products (Net of Taxes) | 75,595,238 | 81,476,930 |
| Sale of services (Net of Taxes) | - | 6,127,064 |
| | 75,595,238 | 87,603,994 |
| 23 Other income | | |
| Interest | 255,241 | 257,812 |
| Profit on sale of fixed assets | 59,727 | 120,219 |
| Other Receipts | 165,714 | 10,805 |
| | 480,682 | 388,836 |
| 24 Cost of materials consumed | | |
| Inventory at the beginning of the year | 10,830,561 | 11,406,122 |
| Add: Purchases | 25,874,747 | 30,481,887 |
| Less: Inventory at the end of the year | 10,334,043 | 10,830,561 |
| | 26,371,265 | 31,057,448 |
| 25 Changes in inventories of finished goods and work-in-progress and stock-in-trade | | |
| Inventory at the beginning of the year (a) | | |
| Finished goods | 5,975,870 | 5,943,538 |
| Stock in process | 3,167,452 | 5,747,256 |
| | 9,143,322 | 11,690,794 |
| Inventory at the end of the year (b) | | |
| Finished goods | 5,916,560 | 5,975,870 |
| Stock in process | 3,300,344 | 3,167,452 |
| | 9,216,904 | 9,143,322 |
| Increase in inventories (a) - (b) | (73,582) | 2,547,472 |
| 26 Employee benefits expense | | |
| Salaries and wages | 18,314,305 | 18,918,471 |
| Contribution to provident and other funds | 1,187,816 | 1,438,820 |
| Staff welfare expenses | 357,495 | 121,717 |
| | 19,859,616 | 20,479,008 |
| 27 Finance costs | | |
| Interest on term loan | 866,403 | 674,753 |
| Interest-others | 2,337,259 | 2,815,176 |
| Bank charges | 184,512 | 140,127 |
| | 3,388,174 | 3,630,056 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

## Notes to the financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| 28 Other expenses | | |
| Manufacturing expenses (a) | | |
| Consumables | 31,341 | 50,351 |
| Exchange difference (net) | 6,022 | (27,713) |
| Freight inward | 662,323 | 630,181 |
| Insurance | 110,005 | 287,612 |
| Job Work & Labour Charges | 392,047 | 342,790 |
| Laboratory Expenses | 289,530 | 49,414 |
| Power, fuel and water | 1,046,270 | 952,252 |
| Repairs to Others | 297,293 | 358,322 |
| Repairs to buildings | 584,933 | 188,790 |
| Repairs to plant and equipments | 585,016 | 513,826 |
| | 4,004,780 | 3,345,825 |
| Selling and distribution expenses (b) | | |
| Advertisement expenses | 170,856 | 31,588 |
| Packing materials | 492,303 | 688,229 |
| Commission | 759,000 | 1,344,657 |
| Implantation Charges | 8,784 | 296,315 |
| Travelling expenses | 3,020,271 | 4,401,587 |
| Freight outward | 174,920 | 201,220 |
| Conference Expenses | - | 1,500,000 |
| Selling and business promotion expenses | 1,065,502 | 601,311 |
| Tender Expenses | 32,301 | 23,381 |
| | 5,723,937 | 9,088,288 |
| Establishment Expenses (c) | | |
| Auditor's remuneration | 120,000 | 120,000 |
| Conveyance | 184,014 | 137,577 |
| Courier and postage charges | 67,294 | 157,470 |
| Professional charges | 2,612,037 | 1,912,039 |
| Miscellaneous expenses | 366,504 | 275,834 |
| Printing and stationery | 40,137 | 177,561 |
| Rates and taxes | 215,980 | 250,824 |
| Rent | 1,015,073 | 1,049,425 |
| Telephone and mobile expenses | 71,304 | 53,238 |
| Vehicle running & Mainenance Expenses | 1,151,047 | 1,081,912 |
| R & D Expenses | 2,329,025 | 2,369,762 |
| Debit Balance Writen off | 400,700 | 892,025 |
| Donation | 31,000 | 46,000 |
| Security Charges | - | 122,023 |
| | 8,604,115 | 8,645,690 |
| (a) + (b) + (c) | 18,332,832 | 21,079,804 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

## Notes to the financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st,2021 | As at March 31st, 2020 |
|---|---|---|
| **29 Taxation** | | |
| Income tax recognised in Statement of Profit and Loss | | |
| Current tax | 1,603,665 | 1,745,449 |
| Deferred tax | (335,800) | (367,600) |
| Total income tax expenses recognised in the current year | 1,267,865 | 1,377,849 |
| **30 Earnings per share** | | |
| Profit after tax (a) | 1,835,281 | 2,754,664 |
| Weighted average number of equity shares outstanding (b) | 3,599,400 | 3,599,400 |
| Nominal value of an equity share | 10 | 10 |
| Earnings per share | | |
| Basic [(a) / (b)] | 0.51 | 0.77 |
| Diluted [(a) / (b)] | 0.51 | 0.77 |
| **31 Contingent liabilities** | | |
| (i) Corporate Guarantee | 7,000,000 | 7,000,000 |
| (ii) Bank Guarantee | 2,953,623 | 771,549 |
| The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary. | | |
| **32 Payment to auditors** | | |
| For statutory audit | 100,000 | 100,000 |
| For tax audit | 20,000 | 20,000 |

For and on behalf of the Board of Directors

| | |
|---|---|
| Atul Kumar Sethi<br>Managing Director<br>DIN- 00245685 | Akash Sethi<br>Joint Managing Director<br>DIN-08176396 |
| Ashok Atulkar<br>Chief Financial Officer | Harshita Jindal<br>Company Secretary |

## Notes to the financial statements as of and for the year ended March 31, 2021

### 33 FINANCIAL RISK MANAGEMENT

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, long-term loans, cash and cash equivalents.

The Company's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable.

The credit policy requires each new customer to be analyzed individually for credit worthiness before delivery and payment terms are offered.

Other receivables consist primarily of security deposits, loans to employees and other receivables. The risk of default is assessed as low.

The credit risk surrounding loans receivable is assessed as low risk.

Credit risk on cash and cash equivalents is assessed as low risk as the Company deposits cash surpluses with financial institutions of high quality and standing.

Liquidity Risk

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 March 2021 based on contractual undiscounted payments.

| Particulars | Less than one year | 1-2 Years | 2-4 Years | >4 Years | Total |
|---|---|---|---|---|---|
| Trade Payable | 34.43 | 0.00 | 0.00 | 0.00 | 34.43 |
| Long Term borrowings (Including current maturities) | 25.82 | 32.41 | 19.17 | 0.00 | 77.40 |
| Short Term borrowings | 195.90 | 0.00 | 0.00 | 0.00 | 195.90 |
| Others | 48.07 | 0.00 | 0.00 | 0.00 | 48.07 |

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offers the best rates which enables the Company to maximize returns whilst minimizing risk.

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## Notes to the financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|

34 Segment reporting

A. Primary segment

As the company's business activity falls with in a single primary business segment i.e. “Life Saving Devices’ hence there is no primary segments wise information to report as per Ind -108 " Segment Reporting".

B. Secondary segment

| Particulars * | India | Rest of the world | Total |
|---|---|---|---|
| i) Segment revenue | 67,464,170<br>(83,622,343) | 8,131,068<br>(3,981,651) | 75,595,238<br>(87,603,994) |
| ii) Carrying cost of segment assets | 106,949,320<br>(103,396,931) | -<br>- | 106,949,320<br>(103,396,931) |
| iii) Addition to Fixed Assets | 7,810,359<br>(7,017,366) | -<br>- | 7,810,359<br>(7,017,366) |

* Previous year's figures are shown under brackets.

35 Related party disclosures

As per Ind AS - 24 the Company's related parties and transactions are disclosed below:

A Subsidiary Company

Shree Coratomic Ltd

B. Key management personnel and relatives of such personnel

(I) Key Management Personnel

| | | | |
|---|---|---|---|
| Atul Kumar Sethi | Managing Director | Rajesh Kumar Bhale | Director |
| Akash Sethi | Joint Managing Director | Mahesh Purohit | Director |
| Amita Sethi | Whole time Director | Varun Ravat | Director |
| Vikas Gokhale | Whole time Director | Sushil Kumar Patni | Director |

(II) Relatives of Key Management personnel and their enterprises where transactions have taken place

| | |
|---|---|
| Preena Salgiya | Wife of Joint Managing Director |

| Details of transactions and closing balances | As at March 31st,2021 | As at March 31st,2020 |
|---|---|---|
| Shree Coratomic Ltd | | |
| Sale of Goods | 915,091 | 4,371,756 |
| Purchase of Plant & Machinery | - | 3,562,184 |
| Purchase of Goods | 2,950 | - |
| Closing Balance - Payable/(Receivable) | (10,286,551) | (10,167,032) |
| Mr. Aul Kumar Sethi | | |
| Director Remuneration | 2,520,000 | 2,400,000 |
| Rent Paid | 660,000 | 660,000 |
| Closing Balance - Payable | 71,982 | 194,783 |
| Mrs. Amita Sethi | | |
| Director Remuneration | 600,000 | 600,000 |
| Rent Paid | 300,000 | 300,000 |
| Closing Balance - Payable | 3,359 | 61,954 |
| Mr. Vikas Gokhale | | |
| Director Remuneration | 1,026,000 | 966,000 |
| Commission | - | 120,000 |
| Mr. Akash Sethi | | |
| Director Remuneration | 1,200,000 | 1,200,000 |
| Closing Balance - Payable | 23,938 | 137,166 |
| Mrs. Preena Salgiya | 240,000 | 80,000 |
| Professional Charges | 20,000 | 20,000 |
| Closing Balance - Payable | | |

36 Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date
For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968
Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Shree Pacetronix Limited

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Shree Pacetronix Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated Statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind As financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2021, of consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.
In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/financial information of Shree Coratomic Ltd. subsidiaries, whose financial statements/financial information reflect total assets of Rs.2,11,28,643 as at 31st March, 2021, total revenues of Rs.65,196 and net cash flows amounting to Rs.7,82,531 for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

I. As required by Section 143(3) of the Act, we report, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of Internal Financial Control with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For: Ajay Sharma & Company
Chartered Accountants
Firm Registration No.
013306C
UDIN :
21404968AAAAAG2031

CA Ajay Sharma
Proprietor
Membership No. 404968

Place: Indore
Date : June 30, 2021

## "ANNEXURE A" TO INDEPENDENT AUDITORS REPORT

The Annexure referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Shree Pacetronix Limited on the Consolidated financial statements as of and for the year ended March 31, 2021.We report that:

### Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Shree Pacetronix Limited (hereinafter referred to as "the Holding Company") and its subsidiaries together referred to as "the Group" which are incorporated in India, as of the date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company and its subsidiary company, which is incorporated in Indi, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (Guidance Note) and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Holding Company and its subsidiaries which are incorporated in India.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company;

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For: Ajay Sharma & Company.
Chartered Accountants
Firm Registration No. 013306C
UDIN : 21404968AAAAAG2031

CA Ajay Sharma
Proprietor
Membership No. 404968

Place: Indore
Date : June 30, 2021

## Consolidated Balance Sheet as at March 31, 2021

(In INR Rs.)

| Particulars | Note | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2.1 | 26,013,293 | 23,780,313 |
| Capital work-in-progress | 2.2 | 16,448,424 | 18,062,688 |
| Intangible assets | 2.3 | 900,078 | 947,668 |
| Financial assets | | | |
| - Other financial assets | 3 | 1,500,648 | 1,381,582 |
| Deferred tax assets (Net) | 4 | 2,767,040 | 1,951,830 |
| - Income Tax Assets (Net) | 5 | 372,590 | 372,590 |
| Total Non current assets | | 48,002,073 | 46,496,671 |
| Current assets | | | |
| Inventories | 6 | 19,550,947 | 19,973,883 |
| Financial assets | | | |
| - Trade receivables | 7 | 30,196,292 | 32,246,084 |
| - Cash and cash equivalents | 8 | 7,705,770 | 5,251,093 |
| - Loans | 9 | 76,010 | 57,900 |
| - Other financial assets | 10 | 569,000 | 288,735 |
| Other current assets | 11 | 3,691,320 | 5,572,867 |
| Total current assets | | 61,789,339 | 63,390,562 |
| TOTAL ASSETS | | 109,791,412 | 109,887,233 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share capital | 12 | 35,994,000 | 35,994,000 |
| Other equity | 13 | 20,337,931 | 19,806,866 |
| Non Controlling Interest | | 4,692 | 5,833 |
| Total Equity | | 56,336,623 | 55,806,699 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 14 | 6,807,747 | 6,087,912 |
| - Other financial liabilities | 15 | 360,000 | 250,000 |
| Total Non-current Liabilities | | 7,167,747 | 6,337,912 |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 16 | 20,486,192 | 20,800,500 |
| - Trade payables | 17 | 3,500,568 | 4,954,289 |
| - Other financial liabilities | 18 | 10,244,914 | 12,467,598 |
| Other current liabilities | 19 | 6,900,205 | 4,741,975 |
| Provisions | 20 | 3,805,162 | 3,278,262 |
| Income tax liabilities (net) | 21 | 1,350,000 | 1,500,000 |
| Total Current Liabilities | | 46,287,041 | 47,742,623 |
| TOTAL EQUITY AND LIABILITIES | | 109,791,412 | 109,887,233 |
| Significant Accounting Policies | 1 | | |
| The accompanying notes from an Integral part of the to the financial statements | 2 to 37 | | |

As per our report of even date attached

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## Consolidated Statement of Profit and Loss Year Ended March 31, 2021

(In INR Rs.)

| Particulars | Note | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|---|
| Revenue from operations | 22 | 75,595,238 | 87,651,994 |
| Other income | 23 | 543,378 | 437,548 |
| Total revenue | | 76,138,616 | 88,089,542 |
| Expenses | | | |
| Cost of materials consumed | 24 | 26,371,265 | 31,057,449 |
| Changes in inventories of finished goods, work in progress and stock-in-trade | 25 | (73,582) | 2,585,486 |
| Employee benefit expense | 26 | 20,285,805 | 20,592,008 |
| Finance cost | 27 | 3,526,380 | 3,774,301 |
| Depreciation and amortisation expense | 2 | 5,094,696 | 5,067,324 |
| Other expense | 28 | 19,615,109 | 21,477,496 |
| Total expenses | | 74,819,672 | 84,554,063 |
| Profit/ (loss) before tax | | 1,318,944 | 3,535,479 |
| Tax expense | | | |
| Current tax | | 1,604,230 | 1,749,707 |
| Deferred tax | | (815,210) | (586,750) |
| Profit/ (loss) for the year | | 529,924 | 2,372,522 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 529,924 | 2,372,522 |
| Profit for the year attributable to: | | | |
| Equity holders of the Company | | 531,065 | 2,372,872 |
| Non-controlling interest | | (1,141) | (350) |
| Total comprehensive income for the year attributable to: | | | |
| Equity holders of the Company | | 531,065 | 2,372,872 |
| Non-controlling interest | | (1,141) | (350) |
| Earnings per equity share of face value of 10 each | | | |
| a) Basic | | 0.15 | 0.66 |
| b) Diluted | | 0.15 | 0.66 |
| Significant Accounting Policies | 1 | | |
| The accompanying notes from an Integral part of the to the financial statements | 2 to 37 | | |

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## Consolidated Statement of changes in equity for the year ended 31st March, 2021

A. Equity Share Capital (In INR Rs.)

| | Note | Amount |
|---|---|---|
| As at 1st April 2019 | | 35,994,000 |
| Changes in Equity Share during the year | | - |
| As at 31st March 2020 | | 35,994,000 |
| Changes in Equity Share during the year | | - |
| As at 31st March 2021 | | 35,994,000 |

B. Other Equity

| | Capital Investment Subsidy | Security Premium Reserve | Retained Earnings | Other Comprehensive Income | Total |
|---|---|---|---|---|---|
| As at 1st April 2019 | 1,500,000 | 5,786,108 | 10,147,886 | - | 17,433,994 |
| Profit for the year | - | - | 2,372,522 | - | 2,372,522 |
| Increase during the year | - | - | - | - | - |
| Other Comprehensive income for the year | - | - | - | - | - |
| Total Comprehensive income for the year | - | - | 2,372,522 | - | 2,372,522 |
| As at 31st March 2020 | 1,500,000 | 5,786,108 | 12,520,408 | - | 19,806,516 |
| Profit for the year | - | - | 529,924 | - | 529,924 |
| Increase during the year | - | - | - | - | - |
| Other Comprehensive income for the year | - | - | - | - | - |
| Total Comprehensive income for the year | - | - | 529,924 | - | 529,924 |
| As at 31st March 2021 | 1,500,000 | 5,786,108 | 13,050,332 | - | 20,336,440 |

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## Consolidated Cash Flow Statement as at March, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit before Tax & Extraordinary items as per Statement of Profit & Loss | 1,318,944 | 3,535,479 |
| Adjusted for: | | |
| Depreciation and Amortisation Expense | 5,094,696 | 5,067,324 |
| Interest Income | (305,874) | (306,524) |
| Interest paid | 3,526,380 | 3,774,301 |
| Profit on sale of fixed assets | (59,727) | (120,219) |
| | 8,255,475 | 8,414,882 |
| Operating Profit before Working Capital Changes | 9,574,419 | 11,950,361 |
| Adjusted for: | | |
| Trade & other Receivables | 3,632,964 | (472,566) |
| Inventories | 422,936 | 3,161,048 |
| Trade & Other Payables | (991,275) | 8,467,587 |
| | 3,064,625 | 11,156,069 |
| Cash Generated from Operations | 12,639,044 | 23,106,430 |
| Taxes Paid | (1,754,230) | (617,247) |
| NET CASH FROM OPERATING ACTIVITIES | 10,884,814 | 22,489,183 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Cash flow from Other financial assets | (119,066) | 922,830 |
| Sale of Fixed Assets | 2,018,570 | 3,208,800 |
| Purchase of Fixed Assets | (7,624,665) | (14,439,582) |
| Interest Income | 305,874 | 306,524 |
| Security Deposit from Customer | 110,000 | |
| NET CASH FROM INVESTING ACTIVITIES | (5,309,287) | (10,001,428) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings (Net) | 719,836 | (5,415,563) |
| Proceeds from Short Term Borrowings (Net) | (314,308) | (2,515,589) |
| Interest Paid | (3,526,380) | (3,774,301) |
| NET CASH RECEIVED/ (USED) IN FINANCING ACTIVITIES | (3,120,851) | (11,705,453) |
| Net Increase / Decrease (-) in Cash and Cash Equivalents | 2,454,677 | 782,302 |
| Opening Balance of Cash and Cash Equivalents | 5,251,093 | 4,468,791 |
| Closing Balance of Cash and Cash Equivalents | 7,705,770 | 5,251,093 |

As per our report of even date attached

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2021

Company overview and Significant accounting policies:

a) Company overview

Shree Pacetronix Ltd. ("the Company") is a listed entity incorporated in India. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

b) Basis of preparation of financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain assets and liabilities which have been measured at fair value amount. The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. The Company's consolidated financial statements are presented in Indian Rupees.

c) Principle of consolidation :

The consolidated financial statements relate to Shree Pacetronix Ltd. ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:-

I. The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

II. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

III. Offset (eliminate) the carrying amount of the parent's investment in the subsidiary and the parent's portion of equity of each subsidiary.

IV. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

V. Non Controlling Interest's share of profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

VI. Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

d) Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

For and on behalf of the Board of Directors

| | |
|---|---|
| Atul Kumar Sethi | Akash Sethi |
| Managing Director | Joint Managing Director |
| DIN- 00245685 | DIN- 08176396 |
| Ashok Atulkar | Harshita Jindal |
| Chief Financial Officer | Company Secretary |

2.1 Property, Plant and Equipment

The change in the carrying value of property, plant and equipment for the year ended March 31,2021 were as follow:

| Particulars | Lease Hold Land | Buildings | Plant & Machineries | Furniture & Fixture | Vehicles | Office Equipments | Computers | Temporary Shed | Total |
|---|---|---|---|---|---|---|---|---|---|
| Gross Carrying value April 1, 2020 | 193350 | 14903735 | 60338181 | 4834631 | 10022696 | 2080416 | 4142571 | 245392 | 96760972 |
| Additions | 0 | 1861720 | 3254545 | 1114729 | 1472837 | 91020 | 15508 | 0 | 7810359 |
| Deletions | 0 | 0 | 0 | 0 | 1102954 | 0 | 0 | 0 | 1102954 |
| Gross Carrying value March 31, 2021 | 193350 | 16765455 | 63592726 | 5949360 | 10392579 | 2171436 | 4158079 | 245392 | 103468377 |
| Accumulated depreciation April 1, 2020 | 0 | 11024145 | 47100861 | 3492024 | 5486046 | 1770048 | 3862143 | 245392 | 72980659 |
| Depreciation for the year | 0 | 371851 | 2633994 | 395739 | 1473314 | 126177 | 46031 | 0 | 5047106 |
| Accumulated depreciation on deletions | 0 | 0 | 0 | 0 | 572681 | 0 | 0 | 0 | 572681 |
| Accumulated depreciation March 31, 2021 | 0 | 11395996 | 49734855 | 3887763 | 6386679 | 1896225 | 3908174 | 245392 | 77455084 |
| Carrying value as at March 31, 2021 | 193350 | 5369459 | 13857871 | 2061597 | 4005900 | 275211 | 249905 | 0 | 26013293 |
| Carrying value as at April 1, 2020 | 193350 | 3879590 | 13237320 | 1342607 | 4536650 | 310368 | 280428 | 0 | 23780313 |

The change in the carrying value of property, plant and equipment for the year ended March 31,2020 were as follow:

| Particulars | Lease Hold Land | Buildings | Plant & Machineries | Furniture & Fixture | Vehicles | Office Equipments | Computers | Temporary Shed | Total |
|---|---|---|---|---|---|---|---|---|---|
| Gross Carrying value April 1, 2019 | 193350 | 14903735 | 55916381 | 3760666 | 10431579 | 1875091 | 4075016 | 245392 | 91401210 |
| Additions | 0 | 0 | 4421800 | 1073965 | 106277 | 205325 | 67555 | 0 | 5874922 |
| Deletions | 0 | 0 | 0 | 0 | 515160 | 0 | 0 | 0 | 515160 |
| Gross Carrying value March 31, 2020 | 193350 | 14903735 | 60338181 | 4834631 | 10022696 | 2080416 | 4142571 | 245392 | 96760972 |
| Accumulated depreciation April 1, 2019 | 0 | 10612844 | 44679518 | 3406965 | 3933244 | 1727794 | 3800547 | 245392 | 68406304 |
| Depreciation for the year | 0 | 411301 | 2421343 | 85059 | 1998181 | 42254 | 61596 | 0 | 5019734 |
| Accumulated depreciation on deletions | 0 | 0 | 0 | 0 | 445379 | 0 | 0 | 0 | 445379 |
| Accumulated depreciation March 31, 2020 | 0 | 11024145 | 47100861 | 3492024 | 5486046 | 1770048 | 3862143 | 245392 | 72980659 |
| Carrying value as at March 31, 2020 | 193350 | 3879590 | 13237320 | 1342607 | 4536650 | 310368 | 280428 | 0 | 23780313 |
| Carrying value as at April 1, 2019 | 193350 | 4290891 | 11236863 | 353701 | 6498335 | 147297 | 274469 | 0 | 22994906 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

2.2 Capital work-in-progress

The change in the carrying value of capital work in progress for the year ended March 31,2021 were as follow:

| Particulars | Capital Work in Progress | Total |
|---|---|---|
| Gross Carrying value April 1, 2020 | 18062688 | 18062688 |
| Additions | 1676026 | 1676026 |
| Deletions | 3290290 | 3290290 |
| Gross Carrying value March 31, 2021 | 16448424 | 16448424 |
| Accumulated depreciation April 1, 2020 | 0 | 0 |
| Depreciation for the year | 0 | 0 |
| Accumulated depreciation on deletions | 0 | 0 |
| Accumulated depreciation March 31, 2021 | 0 | 0 |
| Carrying value as at March 31, 2021 | 16448424 | 16448424 |
| Carrying value as at April 1, 2020 | 18062688 | 18062688 |

The change in the carrying value of capital work in progress for the year ended March 31,2020 were as follow:

| Particulars | Capital Work in Progress | Total |
|---|---|---|
| Gross Carrying value April 1, 2019 | 12516828 | 12516828 |
| Additions | 8564660 | 8564660 |
| Deletions | 3018800 | 3018800 |
| Gross Carrying value March 31, 2020 | 18062688 | 18062688 |
| Accumulated depreciation April 1, 2019 | 0 | 0 |
| Depreciation for the year | 0 | 0 |
| Accumulated depreciation on deletions | 0 | 0 |
| Accumulated depreciation March 31, 2020 | 0 | 0 |
| Carrying value as at March 31, 2020 | 18062688 | 18062688 |
| Carrying value as at April 1, 2019 | 12516828 | 12516828 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

2.3 Intangible Assets

The change in the carrying value of Intangible Assets for the year ended March 31,2021 were as follow:

| Particulars | Intangible Asset | Total |
|---|---|---|
| Gross Carrying value April 1, 2020 | 16560814 | 16560814 |
| Additions | 0 | 0 |
| Deletions | 0 | 0 |
| Gross Carrying value March 31, 2021 | 16560814 | 16560814 |
| Accumulated depreciation April 1, 2020 | 15613146 | 15613146 |
| Depreciation for the year | 47590 | 47590 |
| Accumulated depreciation on deletions | 0 | 0 |
| Accumulated depreciation March 31, 2021 | 15660736 | 15660736 |
| Carrying value as at March 31, 2021 | 900078 | 900078 |
| Carrying value as at April 1, 2020 | 947668 | 947668 |

The change in the carrying value of Intangible Assets for the year ended March 31,2020 were as follow:

| Particulars | Intangible Asset | Total |
|---|---|---|
| Gross Carrying value April 1, 2019 | 16560814 | 16560814 |
| Additions | 0 | 0 |
| Deletions | 0 | 0 |
| Gross Carrying value March 31, 2020 | 16560814 | 16560814 |
| Accumulated depreciation April 1, 2019 | 15565556 | 15565556 |
| Depreciation for the year | 47590 | 47590 |
| Accumulated depreciation on deletions | 0 | 0 |
| Accumulated depreciation March 31, 2020 | 15613146 | 15613146 |
| Carrying value as at March 31, 2020 | 947668 | 947668 |
| Carrying value as at April 1, 2019 | 995258 | 995258 |



For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

## Notes to the Consolidated financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| **3 Other financial assets** | | |
| (Unsecured, considered good ) | | |
| Security and other deposits | 1,500,648 | 1,381,582 |
| | 1,500,648 | 1,381,582 |
| **4 Deferred tax assets (Net)** | | |
| The movement on the deferred tax account is as follows: | | |
| At the start of the year | 1,951,830 | 1,365,080 |
| Charge to Statement of Profit and Loss | 815,210 | 586,750 |
| At the end of year | 2,767,040 | 1,951,830 |
| Component of Deferred tax assets/(liabilities) | | |
| Deferred tax assets in relation to: | | |
| Property, plant and equipment | 866,000 | 644,740 |
| Provisions | 1,901,040 | 1,307,090 |
| Total | 2,767,040 | 1,951,830 |
| **5 Income Tax Assets (Net)** | | |
| MAT Receivable | 372,590 | 372,590 |
| | 372,590 | 372,590 |
| **6 Inventories** | | |
| Finished goods | 5,916,560 | 5,975,870 |
| Stock-in-process | 3,300,344 | 3,167,452 |
| Raw materials | 10,334,043 | 10,830,561 |
| | 19,550,947 | 19,973,883 |
| **7 Trade receivables** | | |
| (Unsecured, considered good ) | | |
| Trade receivables | 30,196,292 | 32,246,084 |
| | 30,196,292 | 32,246,084 |
| **8 Cash and cash Equivalents** | | |
| Cash on hand | 531,845 | 328,290 |
| FDR in Bank | 7,153,402 | 4,901,793 |
| Balance with Bank of India Current Account | 20,523 | 21,010 |
| | 7,705,770 | 5,251,093 |
| Fixed deposits of 4085906/- with maturity of more than 12 | | |
| FDR Rs. 3667909/- kept as margin money deposits against gurantee | | |
| **9 Loans** | | |
| (Unsecured, considered good ) | | |
| Advance to employees | 76,010 | 57,900 |
| | 76,010 | 57,900 |
| **10 Other Financial Assets** | | |
| Accrued Interest on Fixed Deposit with Banks | 569,000 | 288,735 |
| | 569,000 | 288,735 |
| **11 Other current assets** | | |
| (Unsecured, considered good ) | | |
| Advance to vendors | 2,056,118 | 3,813,331 |
| Advances recoverable in cash or kind | 1,608,062 | 1,664,256 |
| Advance Tax | 27,140 | 95,280 |
| | 3,691,320 | 5,572,867 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Notes to the Consolidated financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| 12 Share capital | | |
| Authorised | | |
| 50,00,000 (Previous year: 50,00,000) equity shares of Rs.10 each | 50,000,000 | 50,000,000 |
| Issued, subscribed and paid up | | |
| 35,99,400 (Previous year: 35,99,400) equity shares of Rs.10 each fully paid up | 35,994,000 | 35,994,000 |
| | 35,994,000 | 35,994,000 |

(a) Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(b) Reconciliation of number of shares

| Particulars | As at March 31st, 2021 No. of shares | As at March 31st, 2020 No. of shares |
|---|---|---|
| Balance as at the beginning of the year | 3,599,400 | 3,599,400 |
| Add: Shares issued during the year | - | - |
| Balance at the end of the year | 3,599,400 | 3,599,400 |

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Particulars | Percentage holding as at March 31, 2021 | Percentage holding as at March 31, 2020 |
|---|---|---|
| Mr. Atul Kumar Sethi<br>705506 (Previous year: 705506) shares of Rs.10 each | 19.60% | 19.60% |
| Bio Pace Technology<br>598087 (Previous year: 598087) shares of Rs.10 each | 16.62% | 16.62% |
| Mathew Samul Kalarickal<br>423032 (Previous year: 423032) shares of Rs.10 each | 11.75% | 11.75% |

| 13 Other Equity | March 31, 2021 Rupees | March 31, 2020 Rupees |
|---|---|---|
| Capital investment subsidy | | |
| Balance as per last Financial Statements | 1,500,000 | 1,500,000 |
| Balance as at the end of the year | 1,500,000 | 1,500,000 |
| Securities Premium | | |
| Balance as per last Financial Statements | 5,786,108 | 5,786,108 |
| Add: Increase during the year | - | - |
| Balance as at the end of the year | 5,786,108 | 5,786,108 |
| Surplus / (Deficit) in Statement of Profit and Loss | | |
| Balance as per last Financial Statements | 12,520,758 | 10,147,886 |
| Profit/ (Loss) for the year | 531,065 | 2,372,872 |
| Balance at the end of the year | 13,051,823 | 12,520,758 |
| | 20,337,931 | 19,806,866 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Notes to the Consolidated financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| **14 Borrowings** | | |
| Term loan - Secured | | |
| Axis Bank Ltd. (Car) | - | 791,447 |
| HDFC Bank Ltd. (Car) Breeza | - | 360,550 |
| HDFC Bank Ltd. (Car) Magnite | 258,146 | - |
| HDFC Bank Ltd. (Car) Innova | 299,602 | 598,770 |
| Bank of India | 4,600,000 | - |
| Technology Development Board | 1,400,000 | 1,400,000 |
| Term loan - Unsecured | | |
| Tata Capital | - | 937,145 |
| Loan from Directors | 250,000 | 2,000,000 |
| | 6,807,747 | 6,087,912 |

Nature of security:

Secured loans

1 Term loans from HDFC Bank Ltd and Axis Bank are secured by hypothecation of vehicles.

2 Demand loan under STAR GECL from Bank of India is secured by Equitable mortgage of factory land (leasehold) and buildings situated at Plot no. 15, Industrial Area No. 2, Pithampur, Dist. Dhar and guaranteed by National Credit Gurantee Trustee Company (NCGTC).

3 Term loan from Technology Development Board is secured by hypothecation of movable assets purchased under the TDB loan present and future. Further secured by pledging of shares held by the Promoters/Directors and Corporate gurantee of holding Company by M/s Shree Pacetronix Ltd., own corporate gurantee by M/s Shree Coratomic Ltd. and personal guarantee of Promotors/Director including mortgage of personally owned immovable properties.

Maturity profile of long term borrowings

| | | |
|---|---|---|
| Secured loans | | |
| 2021-22 | - | 2,614,727 |
| 2022-23 | 4,641,064 | 436,726 |
| 2023-24 | 1,533,324 | 99,315 |
| 2024-25 | 383,359 | - |
| Unsecured loans | | |
| 2021-22 | - | 2,687,145 |
| 2022-23 | 250,000 | 250,000 |
| | 6,807,747 | 6,087,912 |

| | | |
|---|---|---|
| **15 Other financial liabilities** | | |
| Deposit from customers | 360,000 | 250,000 |
| | 360,000 | 250,000 |
| **16 Borrowings (Current)** | | |
| Working capital loan - Secured | | |
| From Bank of india | 19,589,992 | 20,177,042 |
| From ICICI Bank Ltd | 896,200 | 623,458 |
| | 20,486,192 | 20,800,500 |

The cash credit facilities availed from Bank of India are secured by hypothecation of the Company's current assets consisting of stock of Finished Goods, Stock in Process, Raw Materials. and book debts both present and future. Further secured by First Charge over fixed assets of the company and personal guarantee of Managing Director Shri Atul Kumar Sethi and Whole Time Director Mrs. Amita Sethi.

| | | |
|---|---|---|
| **17 Trade payables** | | |
| Sundry Creditor | 3,500,568 | 4,954,289 |
| | 3,500,568 | 4,954,289 |

No amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

| | | |
|---|---|---|
| **18 Other financial liabilities** | | |
| Current maturities of long term debts* | 4,682,478 | 6,366,806 |
| Other payables | 5,562,436 | 6,100,792 |
| | 10,244,914 | 12,467,598 |

Nature of security:

* It includes loan from Bank of India, Axis Bank, Tata Capital Finance Limited and HDFC Bank Ltd to be repayable within a period of one year. Disclosures relating to nature of security and terms of repayment are same as provided in long term borrowings.

| | | |
|---|---|---|
| **19 Other current liabilities** | | |
| Statutory dues | 530,262 | 631,559 |
| Advance from customers | 6,369,944 | 4,110,416 |
| | 6,900,205 | 4,741,975 |
| **20 Provisions - Current** | | |
| Provision for Employee benefits | 3,805,162 | 3,278,262 |
| | 3,805,162 | 3,278,262 |
| **21 Income Tax Liabilities** | | |
| Provision for income tax | 1,350,000 | 1,500,000 |
| | 1,350,000 | 1,500,000 |

For and on behalf of the Board of Directors

| | |
|---|---|
| Atul Kumar Sethi | Akash Sethi |
| Managing Director | Joint Managing Director |
| DIN- 00245685 | DIN-08176396 |
| Ashok Atulkar | Harshita Jindal |
| Chief Financial Officer | Company Secretary |

Notes to the Consolidated financial statements as of and for the year ended March 31, 2021

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| **22 Revenue from operations** | | |
| Sale of products (Net of Taxes) | 75,595,238 | 81,524,930 |
| Sale of services (Net of Taxes) | - | 6,127,064 |
| | 75,595,238 | 87,651,994 |
| **23 Other income** | | |
| Interest | 305,874 | 306,524 |
| Profit on sale of fixed assets | 59,727 | 120,219 |
| Other Receipts | 177,777 | 10,805 |
| | 543,378 | 437,548 |
| **24 Cost of materials consumed** | | |
| Inventory at the beginning of the year | 10,830,561 | 11,406,122 |
| Add: Purchases | 25,874,747 | 30,481,887 |
| Less: Inventory at the end of the year | 10,334,043 | 10,830,561 |
| | 26,371,265 | 31,057,449 |
| **25 Changes in inventories of finished goods and work-in-progress and stock-in-trade** | | |
| Inventory at the beginning of the year (a) | | |
| Finished goods | 5,975,870 | 5,981,552 |
| Stock in process | 3,167,452 | 5,747,256 |
| | 9,143,322 | 11,728,808 |
| Inventory at the end of the year (b) | | |
| Finished goods | 5,916,560 | 5,975,870 |
| Stock in process | 3,300,344 | 3,167,452 |
| | 9,216,904 | 9,143,322 |
| Increase in inventories (a) - (b) | (73,582) | 2,585,486 |
| **26 Employee benefits expense** | | |
| Salaries and wages | 18,740,494 | 19,031,471 |
| Contribution to provident and other funds | 1,187,816 | 1,438,820 |
| Staff welfare expenses | 357,495 | 121,717 |
| | 20,285,805 | 20,592,008 |
| **27 Finance costs** | | |
| Interest on term loan | 866,403 | 674,753 |
| Interest-others | 2,451,593 | 2,935,874 |
| Bank charges | 208,384 | 163,674 |
| | 3,526,380 | 3,774,301 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Notes to the Consolidated financial statements as of and for the year ended March 31, 2021

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| 28. Other expenses | | |
| Manufacturing expenses (a) | | |
| Consumables | 31,341 | 50,351 |
| Exchange difference (net) | 6,022 | (27,713) |
| Freight inward | 662,323 | 630,181 |
| Insurance | 110,005 | 287,612 |
| Job Work & Labour Charges | 392,047 | 342,790 |
| Laboratory Expenses | 289,530 | 49,414 |
| Power, fuel and water | 1,046,270 | 952,252 |
| Repairs to Others | 297,293 | 358,322 |
| Repairs to buildings | 584,933 | 188,790 |
| Repairs to plant and equipments | 585,016 | 513,826 |
| | 4,004,780 | 3,345,825 |
| Selling and distribution expenses (b) | | |
| Advertisement expenses | 170,856 | 31,588 |
| Packing materials | 492,303 | 688,229 |
| Commission | 759,000 | 1,344,657 |
| Implantation Charges | 8,784 | 296,315 |
| Travelling expenses | 3,020,271 | 4,401,587 |
| Freight outward | 174,920 | 201,220 |
| Conference Expenses | - | 1,500,000 |
| Selling and business promotion expenses | 1,065,502 | 601,311 |
| Tender Expenses | 32,301 | 23,381 |
| | 5,723,937 | 9,088,288 |
| Establishment Expenses (c) | | |
| Auditor's remuneration | 155,000 | 155,000 |
| Conveyance | 188,514 | 144,187 |
| Courier and postage charges | 67,294 | 157,470 |
| Professional charges | 2,686,837 | 2,239,124 |
| Miscellaneous expenses | 399,046 | 278,335 |
| Printing and stationery | 40,137 | 177,561 |
| Rates and taxes | 223,930 | 276,570 |
| Rent | 1,015,073 | 1,049,425 |
| Telephone and mobile expenses | 72,054 | 53,988 |
| Vehicle running & Mainenance Expenses | 1,151,047 | 1,081,912 |
| R & D Expenses | 2,329,025 | 2,369,762 |
| Debit Balance Writen off | 1,527,435 | 892,025 |
| Donation | 31,000 | 46,000 |
| Security Charges | - | 122,023 |
| | 9,886,392 | 9,043,382 |
| (a)+(b)+(c) | 19,615,109 | 21,477,496 |

For and on behalf of the Board of Directors

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Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Notes to the Consolidated financial statements as of and for the year ended March 31, 2021

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| **29 Taxation** | | |
| Income tax recognised in Statement of Profit and Loss | | |
| Current tax | 1,604,230 | 1,749,707 |
| Deferred tax | (815,210) | (586,750) |
| Total income tax expenses recognised in the current year | 789,020 | 1,162,957 |
| **30 Earnings per share** | | |
| Profit after tax (a) | 529,924 | 2,372,522 |
| Weighted average number of equity shares outstanding (b) | 3599400 | 3599400 |
| Nominal value of an equity share | 10 | 10 |
| Earnings per share | | |
| Basic [(a) / (b)] | 0.15 | 0.66 |
| Diluted [(a) / (b)] | 0.15 | 0.66 |
| **31 Contingent liabilities** | | |
| (i) Corporate Guarantee | 7,000,000 | 7,000,000 |
| (ii) Bank Guarantee | 3,667,909 | 1,485,835 |

The company has given Corporate Guarantee to Technology Development Board (TDB), New Delhi for financial assistance to its subsidiary.

32 The consolidated Financial Statements present the Consolidated account of Shree Pacetronix Limited with its subsidiary. The names, country of incorporation, percentage of ownership interest is as under :-

| Name of the Company | Country of Incorporation | % Shareholding of Shree Pacetronix Limited |
|---|---|---|
| Shree Coratomic Ltd. | India | 99.91% |

33 Additional information as required by under Schedule III to the Companies Act, 2013 of consolidated financial statements to Schedule III to the Act:

| Name of entity in the Group | Net assets (total assets minus total | | Share in profits or (loss) | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or (loss) | Amount | As % of Consolidated OCI | Amount | As % of Consolidated TCI | Amount |
| Holding Company | | | | | | | | |
| Shree Pacetronix Ltd. | 72.22 | 406.84 | 100.22 | 5.31 | 0.00 | 0.00 | 100.22 | 5.31 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Shree Coratomic Ltd. | 27.78 | 156.53 | -0.22 | -0.01 | 0.00 | 0.00 | -0.22 | -0.01 |
| Total | 100.00 | 563.37 | 100.00 | 5.30 | 0.00 | 0.00 | 100.00 | 5.30 |

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Notes to the financial statements as of and for the year ended March 31, 2021

34 FINANCIAL RISK MANAGEMENT

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk primarily relates to trade and other receivables, long-term loans, cash and cash equivalents.

The Company's exposure to credit risk with regards to trade and other receivables is influenced mainly by the individual characteristics of each customer and there is no significant concentration of risk related to industry segments. The granting of credit is controlled by well-established criteria that are reviewed on a regular basis. The maximum exposure to credit risk at the reporting date is the carrying amount of each trade receivable.

The credit policy requires each new customer to be analyzed individually for credit worthiness before delivery and payment terms are offered.

Other receivables consist primarily of security deposits, loans to employees and other receivables. The risk of default is assessed as low.

The credit risk surrounding loans receivable is assessed as low risk.

Credit risk on cash and cash equivalents is assessed as low risk as the Company deposits cash surpluses with financial institutions of high quality and standing.

Liquidity Risk

The Company actively monitors its cash flows to ensure there is sufficient cash available to meet its working capital requirements. Due to the dynamic nature of the underlying businesses, the Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's cash and cash equivalents on the basis of expected cash flow.

The Company's current trade and other payables are all due within one year.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 March 2021 based on contractual undiscounted payments.

| Particulars | Less than one year | 1-2 Years | 2-4 Years | >4 Years | Total |
|---|---|---|---|---|---|
| Trade Payable | 35.01 | 0.00 | 0.00 | 0.00 | 35.01 |
| Long Term borrowings (Including current maturities) | 46.82 | 48.91 | 19.17 | 0.00 | 114.90 |
| Short Term borrowings | 204.86 | 0.00 | 0.00 | 0.00 | 204.86 |
| Others | 55.62 | 0.00 | 0.00 | 0.00 | 55.62 |

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents, long-term loans and borrowings, which can have an impact on the cash flows of these instruments. The exposure to interest rate risk is managed through the Company's Board by using counterparties that offers the best rates which enables the Company to maximize returns whilst minimizing risk.

For and on behalf of the Board of Directors

| | |
|---|---|
| Atul Kumar Sethi<br>Managing Director<br>DIN- 00245685 | Akash Sethi<br>Joint Managing Director<br>DIN-08176396 |
| Ashok Atulkar<br>Chief Financial Officer | Harshita Jindal<br>Company Secretary |
| Place: Pithampur | Date: June 30, 2021 |

Notes to the Consolidated financial statements as of and for the year ended March 31, 2021

(In INR Rs.)

| Particulars | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|

35 Segment reporting

A. Primary segment

As the company's business activity falls with in a single primary business segment i.e. "Life Saving Devices' hence there is no primary segments wise information to report as per Ind -108 " Segment Reporting".

B. Secondary segment

| Particulars * | India | Rest of the world | Total |
|---|---|---|---|
| i) Segment revenue | 67,464,170<br>(83,670,343) | 8,131,068<br>(3,981,651) | 75,595,238<br>(87,651,994) |
| ii) Carrying cost of segment assets | 109,791,412<br>(109,887,233) | -<br>- | 109,791,412<br>(109,887,233) |
| iii) Addition to Fixed Assets | 9,486,385<br>(14,439,582) | -<br>- | 9,486,385<br>(14,439,582) |

* Previous year's figures are shown under brackets.

36 Related party disclosures

As per Ind AS - 24 the Company's related parties and transactions are disclosed below:

A Holding/ Subsidiary Company

Since Consolidation financial statements present information about holding and its subsidiary as a single reporting enterprises. It is unnecessary to disclose intra-group transanctions.

B. Key management personnel and relatives of such personnel

(I) Key Management Personnel

| | | | |
|---|---|---|---|
| Atul Kumar Sethi | Managing Director | Mahesh Purohit | Director |
| Akash Sethi | Joint Managing Director | Varun Ravat | Director |
| Amita Sethi | Whole time Director | Sushil Kumar Patni | Director |
| Vikas Gokhale | Whole time Director | Ganesh Kumar Kopisetti | Director |
| Rajesh Kumar Bhale | Director | Seetharamaiah Panchumarthy | Director |

(II) Relatives of Key Management personnel and their enterprises where transactions have taken place

| | |
|---|---|
| Preena Salgiya | Wife of Joint Managing Director |

| Details of transactions and closing balances | As at March 31st, 2021 | As at March 31st, 2020 |
|---|---|---|
| Mr. Atul Kumar Sethi | | |
| Director Remuneration | 2,520,000 | 2,400,000 |
| Rent Paid | 660,000 | 660,000 |
| Loan Taken/ (repaid) | (500,000) | (2,000,000) |
| Closing Balance - Payable | 71,982 | 694,783 |
| Mrs. Amita Sethi | | |
| Director Remuneration | 600,000 | 600,000 |
| Rent Paid | 300,000 | 300,000 |
| Closing Balance - Payable | 3,359 | 61,954 |
| Mr. Vikas Gokhale | | |
| Director Remuneration | 1,026,000 | 966,000 |
| Commission | - | 120,000 |
| Mr. Akash Sethi | | |
| Director Remuneration | 1,200,000 | 1,200,000 |
| Loan Taken/ (repaid) | (1,250,000) | - |
| Closing Balance - Payable | 273,938 | 1,637,166 |
| Mrs. Preena Salgiya | | |
| Professional Charges | 240,000 | 80,000 |
| Closing Balance - Payable | 20,000 | 20,000 |
| Mr. Seetharamaiah Panchumarthy | | |
| Purchase of Goods | 244,900 | 946,648 |

37 Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date

For Ajay Sharma & Company
Firm Registration Number: 013306C
Chartered Accountants

CA Ajay Sharma
Proprietor
Membership Number: 404968

Place: Indore
Date: June 30, 2021

For and on behalf of the Board of Directors

Atul Kumar Sethi
Managing Director
DIN- 00245685

Akash Sethi
Joint Managing Director
DIN-08176396

Ashok Atulkar
Chief Financial Officer

Harshita Jindal
Company Secretary

Place: Pithampur

Date: June 30, 2021