



## CORPORATE INFORMATION

### Board of Directors

Mr. J. P. Agarwal	Chairman & Managing Director
Mr. Kapil Agarwal	Executive Director
Mr. S. M. Agarwal	Non-executive Independent Director
Mr. Jayanti Oza	Non-executive Independent Director
Mr. Sumit Agarwal	Non-executive Independent Director
Mr. Amit Agarwal	Non-executive Independent Director
Mr. Mangi Lal Dangi	Non-executive Independent Director

### Board Committees

Audit Committee	Remuneration Committee	Shareholders' / Investors Grievance Committee
Mr. S. M. Agarwal	Mr. S. M. Agarwal	Mr. S. M. Agarwal
Mr. Jayanti Ojha	Mr. Jayanti Ojha	Mr. Jayanti Ojha
Mr. Sumit Agarwal	Mr. Sumit Agarwal	Mr. Sumit Agarwal

**Statutory Auditors**  
M/s. A. Bafna & Co.  
Chartered Accountants  
K-2, Raj Apartment  
Keshav Path, C-Scheme  
Jaipur-302 001 (Rajasthan)

**Registrar & Share Transfer Agent**  
Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W),  
Mumbai-400 078  
Tel.: 022-25963838  
Fax : 022-25946969  
E-mail : mumbail@linkintime.co.in

Bankers: BANK OF BARODA	Contents	Page No.
Main Branch, Opposite Town Hall, Udaipur	1. Notice	1
<b>Regd. Office</b>	2. Director's Report	7
Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural) Bangalore-562123 (Karnataka) E-mail: pilnorth@pacificgranites.com URL: www.pacificindustriesltd.com	3. Auditor's Report	27
<b>Plant Location</b>	4. Balance Sheet	32
<b>Unit I :</b> Village : Bedla, Udaipur-313004 (Rajasthan) Tel. No. : 0294-2440933 Fax No. : 0294-2440780	5. Statement of Profit and Loss	33
<b>Unit II :</b> Village : Survey No. 13, Kempalingahalli Nelamangala Taluk (Rural) Bangalore-562123 (Karnataka) Tel. No. : 080-27723004 Fax No. : 080-27723005	6. Accounting Policies & Notes on Accounts	34
	7. Cash Flow Statement	49

## TWENTY FOURTH ANNUAL GENERAL MEETING

### NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of Pacific Industries Limited will be held on Monday, September 30, 2013 at 10.00 A. M. at Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural) Bangalore - 562123 (Karnataka) to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit & Loss for the year ended on that date, together with the Cash Flow Statement and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Mr. Sumit Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Amit Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration. M/s. A. Bafna & Company, Chartered Accountants, the retiring Auditors and, being eligible, offer themselves for re-appointment.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** subject to relevant provisions of the Companies Act, 1956 {including any Statutory modification(s), and / or re-enactment(s) thereof for the time being in force and as may be enacted hereafter}, Securities Contract (Regulation) Act, 1956 and the rules framed there under, SEBI (Delisting of Securities) Guidelines, 2003 and other Guidelines issued by SEBI from time to time, Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approval(s), permission(s) and sanction(s), as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed by any authority while granting such approval(s), permission(s) and sanction(s), which may be accepted by the Board of Directors of the Company (hereinafter referred to as “ the Board” which shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) consent of the Company be and is hereby accorded to Voluntary Delist the equity shares of the Company from all or any of The Calcutta Stock Exchange Association Limited, Jaipur Stock Exchange Limited, The Delhi Stock Exchange Association Limited and U. P. Stock Exchange Association Limited.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board” which shall include any Committee thereof for the time being exercising the powers conferred by the Board) be and is hereby authorized to seek for Voluntary Delisting of the Equity Shares of the Company, to take all the required steps in this regard and to do all such acts, deeds, matters and things and to execute all such papers, Indemnity Bond(s), documents, deeds and writings as may be required and / or desirable for getting done Voluntary Delisting of the Equity Shares of the Company from all or any of The Calcutta Stock Exchange Association Limited, Jaipur Stock Exchange Limited, The Delhi Stock Exchange Association Limited and U. P. Stock Exchange Association Limited.

**RESOLVED FURTHER THAT** Mr. J. P. Agarwal, Chairman & Managing Director of the Company be and is hereby authorized to do all the required acts, deeds, matters and things including execution of Indemnity Bond(s), declaration(s), documents, deeds, writings as may be required and / or desirable and the application for delisting and to delegate the authority and duty vested in him to any other director / officer of the Company or any outside professional(s) / agency (ies), to whom Mr. J. P. Agarwal, Chairman & Managing Director considers suitable for doing various acts, deeds, matters and things required to be done for giving effect to this resolution.”

Bedla Udaipur

30<sup>th</sup> May 2013

**Registered Office**

Village: Survey No. 13, Kempalingahalli  
Nelamangala Taluk (Rural)  
Bangalore - 562123 (Karnataka)

**By order of the Board**

Sd/-

(J. P. Agarwal)

**Chairman & Managing Director**

**Notes :**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- b) THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the meeting.
- d) Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- e) Members are requested to notify immediately, change in their addresses, pin code, e-mail addresses and telephone number(s), if any, to the Company at its Registered Office by quoting their folio numbers. In respect of shares held in electronic mode, the same should be communicated to the respective Depository Participant (DP).
- f) As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of shares held by them in physical mode. Nomination forms can be obtained from the Registrar & Transfer Agent of the Company.
- g) Those who are holding shares in electronic mode should give relevant details in this matter to their respective Depository Participant (DP).
- h) Members of the Company who have multiple accounts in identical names or joint accounts in the same name / order are requested to send all the share certificates to the Registrar & Transfer Agent of the Company, **M/s Link Intime India Private Limited**, or at the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better services.
- i) Member who still have their holdings in physical form are requested to convert them into dematerialized form (under ISIN No. **INE883C 01025**) at the earliest.

- j) All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and share certificates should preferably be sent directly to the Company's Registrar and Transfer Agent, M/s Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400078.
- k) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2013 to Monday, 30th September, 2013, both days inclusive.
- l) Shareholders desiring any information as regards Audited Annual Accounts are requested to write to the Company at an early date (at least ten days before the date of meeting) so as to enable the Management to keep the information ready at the meeting.
- m) SEBI vide its circular ref. no MRD/ DoP/Cir-05/2009 dated 20.05.2009 has clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of PAN card to the Company / RTAs for registration of such transfer of shares irrespective of the amount of such transaction.

All the intended transferee(s) are, therefore, requested to furnish a self certified copy of their PAN Card along with the relevant transfer deed for registration of transfer of shares. Please note that the Share(s) lodged for transfer without self certified copy of PAN Card of the transferee(s), shall be returned under objection.

**ANNEXURE TO THE NOTICE**
**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**
**ITEM NO. 2 and 3**
**Details of the Directors seeking re-appointment / appointment in the**
**Twenty Fourth Annual General Meeting**

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Sumit Agarwal	Mr. Amit Agarwal
Date of Birth	31.10.1974	24.09.1979
Date of Last Reappointment	30.09.2010	30.09.2010
Special Expertise	Overall In-charge of Quality Control Department of the Company	Overall In-charge of Quality Production Operations at the factory of the Company
Qualifications	Graduate	Graduate
Directorships in other Companies	NIL	NIL
Chairman/Member of Committees of Companies	NIL	NIL

**ITEM NO. 5**

The equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai, The Calcutta Stock Exchange Association Limited, Kolkata, U. P. Stock Exchange Association Limited, Kanpur, Jaipur Stock Exchange Limited, Jaipur (Regional Stock Exchange) and The Delhi Stock Exchange Association Limited, Delhi.

It is observed that the Stock Exchanges other than BSE have no reach to the investors because they are not engaged in trading of their own. In fact BSE, which has extensive network of trading terminals across the country which provides liquidity to the shareholders of the Companies listed with it. In view of this, it is proposed to voluntarily delist the equity shares of the Company from all or any of the Stock Exchanges situated at Kolkata, Kanpur, Jaipur and Delhi.

The proposed delisting is sought in view of no trading on these Stock Exchanges and for the purpose of saving cost. Moreover, the Equity Shares of the Company continue to be listed on Bombay Stock Exchange Limited, Mumbai to maintain liquidity and to provide nationwide opportunity for trading to the shareholders of the Company. Delisting of Equity Shares of the Company from these Stock Exchanges would not prejudicially affect the interest of the investors residing in the region of these Stock Exchanges. Exact date with which the above stated delisting will take effect will be suitably notified at appropriate time.

The Company has not taken up any step on the Special Resolution passed in the earlier AGMs for Voluntary Delisting hence consent of the Share Holders is being sought in the ensuing 24<sup>th</sup> AGM by way of Special Resolution, as per the requirement of SEBI (Delisting of Securities) Guidelines, 2003 and / or any other enactment / guideline(s) as may be in force from time to time for Voluntary Delisting of Equity Shares of the Company.

None of the Directors of the company are interested or concerned in this resolution.

The Board recommends this Special Resolution for your approval.

Bedla Udaipur

30<sup>th</sup> May 2013

**Registered Office**

Village: Survey No. 13, Kempalingahalli

Nelamangala Taluk (Rural)

Bangalore - 562123 (Karnataka)

**By Order of the Board**

Sd/-

**(J. P. Agarwal)**

**Chairman & Managing Director**

PACIFIC INDUSTRIES LTD.  
**DIRECTORS' REPORT - 2012 - 13**

Dear Members,

Your Directors present the 24th Annual Report of the working of the Company along with the statement of accounts and the Auditors' Report for the year ended 31st March, 2013.

**1. Financial Results**

(Rs. in Lac)

<b>PARTICULARS</b>	<b>Year ended 31.03.2013 (Audited)</b>	Year ended 31.03.2012 (Audited)
Turnover	<b>8825.11</b>	5810.79
Profit before Tax	<b>1089.54</b>	564.35
Less: Provision for Income Tax		
- Current Tax	<b>220.47</b>	114.53
- Prior period Tax expenses	<b>4.43</b>	-
Net Profit after Tax	<b>864.64</b>	449.82
Add: Profit brought forward from previous year	<b>4008.64</b>	3558.82
Profit available for Appropriation	<b>4873.28</b>	4008.64
Net Profit carried forward	<b>4873.28</b>	4008.64

**2. Business Results**

During the year the turnover of the company has been increased by 51.87% to Rs. 8825.11 lakh as against Rs. 5810.79 Lakh in the previous year. The Net Profit after Tax of the Company is Rs.864.64 Lakh as against Rs.449.82 Lakh in the previous year.

**3. Dividend and transfer to Reserve**

Your directors have not recommended any dividend for the year 2012-2013 and the entire surplus is proposed to be transferred to the reserves to give financial leverage to the Company.

**4. Directors' Responsibility Statement**

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having:

- ✓ followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any ;
- ✓ selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- ✓ taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and



- ✓ prepared the annual accounts on a going concern basis.

The above statements were noted by the Audit Committee at its meeting held on May 30, 2013.

**5. Statutory Disclosures**

None of the Directors are disqualified under the provisions of Section 274(1)(g) of the Companies Act, 1956. The Directors have made the requisite disclosures, as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

**6. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is appended as Annexure "A" and forms part of the Report.

**7. Particulars of Employees**

None of the Employee of the Company has been paid such remuneration which attracts provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence requirement of disclosure under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 doesn't arise.

**8. Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled as 'Corporate Governance' has been included in this Annual Report, along with the reports on 'Management Discussion and Analysis' and 'Shareholder Information'. All board members and senior management personnel have affirmed compliance to the Code of Conduct for the FY 2012-13.

All board members and senior management personnel have affirmed compliance to the Code of Conduct for the FY 2012-13.

**9. Capital Investments**

Your Company has made an investment of Rs.312.21 Lacs in capital assets during the year to increase the production capacities for extraction of granite from mines for captive consumption.

**10. Fixed Deposits**

During the year under review, your Company has not accepted any deposit under Section 58A and 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975

**11. Corporate Social Responsibility**

The philosophy and practice of sustainability and business ethics has been a matter of abiding interest and faith to your Company. Your Company has always seen its interests as inseparable from that of the community.

As a part of our social responsibility we try to promote social welfare through the following educational institutions

- ✓ Geetanjali Medicity
- ✓ Geetanjali Institute of Technical Studies
- ✓ Geetanjali College of Pharmaceuticals Studies

## **12. Directors**

Mr. Sumit Agarwal and Mr. Amit Agarwal, Directors of the Company, liable to retire by rotation, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The necessary resolutions are presented in Annual General Meeting for your approval.

## **13. Auditors and Auditor's Report**

The Statutory Auditor M/s A. Bafna & Company, Chartered Accountants, Jaipur, will retire at the ensuing Annual General Meeting and being eligible for re-appointment, offer themselves for re-appointment. Your Company has received a Certificate from the Auditors to the effect that, their reappointment, if made, will be in accordance with the limit specified in sub section (1B) of the section 224 of the Companies Act, 1956.

The observations made in the Independent Auditors' Report, read together with the relevant notes thereon are self-explanatory and hence, do not call for any further comments under section 217 of the Companies Act, 1956.

## **14. Note of Appreciation**

Your Directors wish to place on record their sincere appreciation for the continued support and co-operation of Financial Institutions, Banks, Government authorities and other stakeholders. Your Directors also acknowledge sincere appreciation of the commitment and hard work put in by the management and all employees of the company.

Your Directors also thank the Government of India and the concerned State Governments, Government Departments and various Agencies for their co-operation. The Directors appreciate and value the contributions made by every member of the PIL family. Propelled by your Company's strong vision and powered by internal vitality, your Directors look forward to the future with confidence.

Bedla Udaipur  
30<sup>th</sup> May 2013

**Registered Office**  
Village: Survey No. 13, Kempalingahalli  
Nelamangala Taluk (Rural)  
Bangalore - 562123 (Karnataka)

**By Order of the Board**  
Sd/-  
(J. P. Agarwal)  
**Chairman & Managing Director**

**PACIFIC INDUSTRIES LIMITED**  
**ANNEXURE 'A' TO DIRECTORS REPORT**  
**Statement Containing Particulars Pursuant to the Companies (Disclosure of Particulars in the**  
**Report of Board of Directors) Rules, 1988 and Forming Part of Director's Report.**

**1 CONSERVATION OF ENERGY**

Your Company has taken various steps wherever possible to conserve energy. Various studies, discussions and analysis being undertaken regularly for further improvements. These include improvement in manufacturing processes, better control over electricity consumption and using more cost effective information as per prescribed in Form "A" is given here under:

<b>A. Power and Fuel Consumption</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>31.03.2013</b>	<b>31.03.2012</b>
1. Electricity		
(a) Purchased Units (Kwh)	7011305	6710720
Total Amount (Rs.)	41717447	37175937
Rate per unit (Rs.)	5.95	5.54
(b) Own Generation		
Through Diesel Generators		
Units (Kwh)	463765	446436
Units per litre of Diesel Generators	2.57	2.50
Cost per unit (Rs.)	17.90	15.37
2. Coal	N/A	N/A
3. Furnace Oil	N/A	N/A
4. Other Internal Generation	N/A	N/A
<b>B. Consumption per unit of Production</b>		
		<b>Polished Granites</b>
<b>Unit</b>	<b>Slabs/Tiles</b>	<b>Slabs/Tiles</b>
Production	328482	325766
Electricity/Sq. Mtr (Kwh)	22.76	21.97

**2 TECHNOLOGY ABSORPTION**

Your Company is fully equipped to cater the needs of overseas buyers. Company's technical team has already absorbed the state-of-art technology in manufacture of polished granite slabs/Tiles and has already done a lot of successful work in adopting and improving the technology brought in by Company's collaborators and visiting technical experts. The main thrust areas have been to improve productivity and technical efficiencies through continuously monitored programmes of cost effectiveness and value engineering techniques. This has helped the Company to better the quality of its products and achieve economy in production costs.

**3 FOREIGN EXCHANGE EARNINGS & OUTGO**

	<b>Current Year</b>	<b>(Rs. in Lacs)</b>
	<b>2012-13</b>	<b>Previous Year</b>
		<b>2011-12</b>
F.O.B. Value of Export of Finished Goods	8107.52	5540.82
C.I.F. Value of Imports		
(a) Raw Materials (Consumables)	979.26	862.24
(b) Capital Goods	13.69	0.00
Expenses in Foreign Currency	7.59	8.02

## **Auditors' Certificate on Compliance of conditions of Corporate Governance**

To  
The Members of  
Pacific Industries Limited,

We have examined the compliance of conditions of Corporate Governance by Pacific Industries Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with Stock Exchange(s) in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the guidance note on certification of corporate governance (as stipulated in clause 49 of the listing agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For A. Bafna & Company**  
**Chartered Accountants**  
**FRN:- 003660C**

Sd/-  
**M. K. Gupta**  
**(Partner)**  
**Memb. No: 73515**

**Place : Bedla, Udaipur**  
**Date: 30<sup>th</sup> May 2013**

### Corporate Governance Report for the year 2012-13

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchanges)

#### Corporate Governance Philosophy

“Corporate Governance” is the system by which companies are directed, controlled and managed. The corporate Governance structure specifies the distribution of roles and responsibilities of the different participants of the organization, such as the Board of Directors, managers, Shareholders and all other stakeholders. It also spells out the rules and procedures for decision making on corporate affairs. The company adheres to good corporate policies and is consistently striving to improve by adopting emerging best policies.

Pacific Industries Limited is committed to the best governance practices and their adherence in the true spirit at all times. The company has complied with the provisions of the Code of Corporate Governance as per Clause 49 of the Listing Agreements (as amended) with the Stock Exchanges. A report on the implementation of the Corporate Governance is furnished hereunder:-

#### A. BOARD OF DIRECTORS:

The Board of Pacific Industries Limited has appropriate mix of skill and experience. It works together as a team while encouraging diverse and healthy debate in the interest of the Company and its stakeholders. The Board provides leadership, Strategic Guidance, objective analysis and independent views to the Company's. It makes sure that the Company has clear goals relating to shareholders value and its growth. The Board reviews its policy from time to time to assess its relevance and suggest appropriate intervention.

The Company has a judicious mix of Executive and Non-Executive Directors. At present, there are eight directors on the Board. The Chairman is an Executive Director and more than half of the Board (71.42%) consists of Independent Directors.

#### COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31<sup>st</sup> MARCH, 2013

Category	Directors	No. of Directors	Percentage of total number of Directors
Promoter - Executive / Managing Director	Mr. J. P. Agarwal	1	14.29%
Executive Director	Mr. Kapil Agarwal	1	14.29%
Independent Directors	Mr. S. M. Agarwal Mr. Jayanti Hiralal Oza Mr. Sumit Agarwal * Mr. Amit Agarwal * Mr. Mangilal Dangi	5	71.42%
<b>Total</b>	-	<b>7</b>	<b>100.00%</b>

\* Retire by rotation at the ensuing Annual General Meeting.

#### Notes:

- Mr. J. P. Agarwal is the Chairman of the Board of Directors. He is also Managing Director of the Company.
- Mr. S. M. Agarwal is the Chairman of the Audit Committee, Remuneration Committee and Shareholders' Investors Grievance Committee.

**Role:**

The Board of Directors at Pacific Industries primarily performs the following functions:

- ⇒ Reviewing strategic plan for the Company;
- ⇒ Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- ⇒ Identifying principal risks and establishing a risk management framework to manage these risks;
- ⇒ Succession planning, including appointing, training, fixing the compensation of senior management and officers one-level below the Board;
- ⇒ Developing and implementing an investor relation programme or shareholders communication policy for the Company; and
- ⇒ Reviewing the adequacy and the integrity of the Company's Internal Control System and Management Information System including system for compliance with applicable laws, regulations, rules, directives and guidelines.

Six Board Meeting were held during the year 2012-13 i.e. on 14th May, 2012, 13th August, 2012, 28th August, 2012, 12th November, 2012, 14th February, 2013 and 15th February, 2013. The frequency and quorum etc at these meetings are in conformity with the provisions of the Companies Act, 1956.

Composition of Board of Directors as on 31.03.2013 and attendance at the board meeting during the year 2012-13 are hereunder:-

Sl. No.	Name of Director	Category of Director	No. Of Board Meetings attended	Attendance at Last AGM	No. of Directorship in other public companies		No. of Committee position held in other public companies	
					Chairman	Member	Chairman	Member
1.	Mr. J. P. Agarwal	ED	6	N	-	-	-	-
2.	Mr. Kapil Agarwal	ED	6	N	-	-	-	-
3.	Mr. S. M. Agarwal	NEID	6	Y	-	-	-	-
4.	Mr. Jayanti Oza	NEID	4	N	-	-	-	-
5.	Mr. Sumit Agarwal	NEID	4	N	-	-	-	-
6.	Mr. Amit Agarwal	NEID	4	Y	-	-	-	-
7.	Mr. Mangi Lal Dangi*	NEID	6	Y	-	1	3	-

ED - Executive Director; NEID - Non-executive Independent Director

\* Holding directorship and committee positions at Shruti Synthetics Limited.

\* Mr. D. K. Maliwal (Executive Director) retired on 12.11.2012 has attended 4 board meetings held on 14.05.2012, 13.08.2012, 28.08.2012 and 12.11.2012.

**Details of Board Meetings held during the Financial Year 2012-2013:**

Sl. No	Date of Meeting	Board Strength	No. of Directors present
1	14.05.2012	8	7
2	13.08.2012	8	6
3	28.08.2012	8	7
4	12.11.2012	8	8
5	14.02.2013	7	6
6	15.02.2013	7	6

**Scheduling and selection of Agenda items for Board Meetings:**

During the Financial Year 2012-2013, 06 (Six) Board Meetings were held. The notice of the meeting specifying the day, date, time and full address of the venue of the meeting was given to all the Directors at the address provided by them or at their usual addresses in India, maintaining the statutory norms regarding notice period. The agenda along with the notes, draft resolution of the items to be approved were sent well in advance to all the Directors, so that they come prepared to offer advice and guidance during the meeting. The agenda of each Board Meeting was finalised after consultation with the Managing Director as well as the Senior Management Team Members.

The Board has easy and direct access to any information within the Company and to any employee of the Company. At the meetings of the Board, the managers who can provide useful insight into the items being discussed are invited as and when considered necessary.

The following information is regularly supplied to the Board along with the specific item agenda:

- a) Annual operating plans and budgets, capital budgets and any updates thereon;
- b) Quarterly/half yearly/Annual results of the company (after review by Audit Committee);
- c) Minutes of meetings of Audit Committee, Remuneration Committee, Investors' Grievance Committee, as well as abstracts of circular resolution passed, if there any;
- d) Information on recruitment and remuneration of senior officers just below the board level;
- e) Materially important litigation, show cause, demand, prosecution, and penalty notices, if there any;
- f) Company's management development processes and succession of senior management;
- g) Fatal or serious accidents, dangerous occurrences, any material effluents or pollution problems;
- h) Any material default in financial obligations to and by the company or substantial non-payment for goods sold by the company;
- i) Any issue, which involves possible public or product liability claims of a substantial nature;
- j) Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as delays in share transfer / dematerialization etc.;
- k) Related Party Transactions.

## B. AUDIT COMMITTEE

The Company has complied with the requirements of Clause 49II(A) of the Listing Agreement with regard to composition of the Audit Committee. The composition of the Audit Committee and the details of the meetings of the Committee attended by the Directors are as follows:

<b>Name of the Director</b>	<b>Number of Meeting Held</b>	<b>Number of Meeting Attended</b>
Mr. S. M. Agarwal	5	5
Mr. Jayanti Oza	5	3
Mr. Sumit Agarwal	5	4

The Audit Committee comprises of 3 independent directors, all of whom have relevant finance and audit exposure. During the year under review, 5 (five) Audit Committee meeting were held on 14.05.2012, 13.08.2012, 28.08.2012, 12.11.2012 and 14.02.2013.

**The terms of reference of Pacific Industries Limited's Audit committee are:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by the management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with Listing and other legal requirements relating to financial statements.
  - vi) Disclosure of any related party transactions.
  - vii) Qualification in the draft audit report.
5. Reviewing, with the management the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.



8. Reviewing the findings of Internal Control System in to matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
9. Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
10. To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Audit Committee has the following powers:**

- I. To investigate any activity within its terms of reference.
- II. To seek information from any employee.
- III. To obtain outside legal or other professional advice.
- IV. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee has the powers prescribed under Clause 49II( C ) of the Listing Agreement and the scope of activities of the Audit Committee includes the areas prescribed by Clause 49II(D) of the Listing Agreement. The Audit Committee also, mandatorily reviews the information prescribed under Clause 49II(E) of the Listing Agreement.

**C. REMUNERATION COMMITTEE**

The broad terms of reference of the Committee are to recommend to the Board about the salary (including annual increments), perquisites and commission/performance linked remuneration to be paid to the managing/whole-time director(s) of the Company and to finalise the perquisites package within the overall ceiling fixed by the Board. Following are the terms of reference of the Remuneration Committee of the Company:

1. Approving of the annual increment in the remuneration payable to the Managing Director / Whole time Director / Executive Director within the salary scale as sanctioned by the shareholders
2. Varying, altering or widening the terms of remuneration of the Managing Director / Whole time Director / Executive Director within the limits sanctioned by the shareholders
3. Determining commission/performance linked remuneration payable to the Managing Director / Whole time Director / Executive Director and the Non-Executive Directors within the limits specified by shareholders
4. Sanctioning retirement benefits within the limits approved by the shareholders

The recommendations of the Remuneration Committee are considered and approved by the Board subject to shareholders' approval.

**Criteria for making payment to Directors of the Company:**

The criteria for making payments to the Managing / Executive Directors are:

The remuneration committee of the company recommends the salary payable to Executive Directors.

The shareholders of the company approve the payment of Managerial Remuneration payable to the Managing / Executives / Whole time Directors.

The financial position of the Company, appointee's qualification, experience, past performance.

The remuneration paid to the Managing / Executives / Whole time Directors are determined keeping in view the industry benchmarks.

The Company has not granted any Stock Option to Executive/Non-Executive Directors during the year.

The Remuneration Committee comprises of three independent directors. The composition of the Committee as on 31<sup>st</sup> March 2013 is as follows:

Name of the Director	Number of Meeting Held	Number of Meeting Attended
Mr. S. M. Agarwal	1	1
Mr. Jayanti Oza	1	1
Mr. Sumit Agarwal	1	1

During the year 2012-2013, one meeting of the Committee was held on 12-11-2012.

**Details of remuneration paid to the Directors during 2012-13 are as follows:**

**I. Non-Whole time Directors**

No Sitting fees was paid to the non-executive directors during the Financial Year 2012-2013.

**II. Managing Director, Executive & Whole Time director:**

Name & Designation of Director	Consolidated Salary (Rs. Lakhs)	Perquisites and Other Benefits (Rs. Lakhs)	Company's Contribution towards Provident Fund, Gratuity & Superannuation Fund (Rs. Lakhs)	Total (Rs. Lakhs)
Mr. J.P. Agarwal ,C.M.D.	24.00	--	2.88	26.88
Mr. Kapil Agarwal ,E.D.	24.00	--	2.88	26.88
Period of contract of Managing Director	3 years w.ef. 30.09.20 11			
Period of contract of Executive Director	3 years w.ef. 23.07.20 11			

**Shareholding of the Directors in the Company as on 31<sup>st</sup> March 2013:**

Sl. No.	Name	No. of Ordinary Shares of Rs.10/- each Held singly and/or jointly
1.	Mr. J. P. Agarwal	42336
2.	Mr. Kapil Agarwal	134635
4.	Mr. S. M. Agarwal	2750

**D. SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE**

The terms of reference of Shareholders' Investors and Grievance Committee are to specifically look into the redressal of Investors' complaints like transfer of shares and non-receipt of balance sheet etc. The Registrar and Share Transfer Agents address the shareholders / investors grievance on a day to day basis and the same is monitored by the Compliance Officer. Further, on a quarterly basis the Board reviews the Complaints received and redressed by the Company and in compliance of Clause 41 of the Listing Agreement the Company makes due disclosure as to the number of investor complaints pending at the beginning of the quarter, those received and disposed of during the quarter and those remaining unresolved at the end of the quarter.

The composition of the Shareholders' Grievance Committee as on 31<sup>st</sup> March, 2013 is given below:

Name of the Committee Member	Category of Director	No. of Meetings held	No. of Meetings Attended
Mr. S. M. Agarwal	NEID (Chairman)	12	9
Mr. Jayanti Oza	NEID	12	6
Mr. Sumit Agarwal	NEID	12	9

During the year 2012-13, the Shareholders / Investors Grievance Committee of PIL met twelve times on 20.04.2012, 24.05.2012, 29.06.2012, 06.07.2012, 29.08.2012, 21.09.2012, 31.10.2012, 23.11.2012, 30.12.2012, 29.01.2013, 22.02.2013 and 28.03.2013.

**Name, designation & address of Compliance Officer:** Mr. Kapil Agarwal  
 Telephone No. +91-294-2440933  
 Fax No. +91-294-2440780  
 Email pilnorth@pacificgranites.com

**Shareholder/Investor Complaints**

Complaints pending as on 1 <sup>st</sup> April, 2012	Nil
Complaints Received during 1 <sup>st</sup> April 2012 to 31 <sup>st</sup> March 2013	29
Complaints disposed off during the year ended 31 <sup>st</sup> March 2013	29
Complaints Pending as on 31 <sup>st</sup> March, 2013	NIL

**E. DETAILS REGARDING VENUE, DATE AND TIME OF THE LAST THREE AGM**

Financial Year	Details of Location	Date and Time when held	Summary and type of Resolutions passed
2009-10	Village Bedla, Udaipur -313004, Rajasthan (India)	30.09.2010 at 10.00 a.m.	Ordinary Resolutions – 4 Special Resolution- 1
2010-11		30.09.2011 at 10.00 a.m.	Ordinary Resolutions – 4 Special Resolution- 3
2011-12	Village : Survey no. 13, Kempalingahalli, Nelamangala taluk (Rural), Bangalore – 562123 (Karnataka)	29.09.2012 At 10 a.m.	Ordinary Resolutions – 4 Special Resolution- 1

For the year ended 31<sup>st</sup> March, 2013, the shareholders of the company did not pass any ordinary or special resolution by postal ballot.

**F. DISCLOSURES -**

- i) The Company had no transaction of material nature with its promoters, directors or the management, their subsidiaries or relatives, etc. that may have had potential conflict of interest with the Company at large. The Register of Contracts is placed at the meetings of the Board of Directors as per the requirements of the Companies Act, 1956.
- ii) There are no instances of non-compliance by the Company, penalties, strictures imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- iii) The Company has established appropriate risk assessment and minimization procedure. This is reviewed regularly by the Board of Directors.
- iv) The Company has complied with the applicable Accounting Standards.
- v) Management Discussion and Analysis Report forms a part of the Director's Report.
- vi) The relevant disclosures on the remuneration of directors have been included under "Remuneration Policy" in this report.
- vii) The Company has not raised any proceeds from public issue, rights issue, preferential issue, etc. during the year.

**G. CEO/CFO CERTIFICATION**

The Managing Director appointed in terms of Companies Act, 1956, certify to the Board that :

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended on 31st March, 2013 and, to the best of their knowledge and belief:
  - (i) These statements do not contain any materially untrue statement, have not omitted any material fact and do not contain statements that might be misleading; and
  - (ii) These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violate Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, the deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
- d. We have indicated to the auditors and the Audit Committee: -
  - (i) significant changes in Internal Control over financial reporting during the year,

- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 30<sup>th</sup> May, 2013  
 Place: Bedla Udaipur

Sd/-  
 (J. P. Agarwal)  
 Chairman & Managing Director

#### Code of Conduct for Directors and Senior Management Personnel:

The Board of Directors of the company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code is applicable to both Executive and Non-Executive Directors as well as Senior Management. A declaration signed by chairman is given below :

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year 2012-13.

#### H. MEANS OF COMMUNICATION

Quarterly Results	Published in the newspaper as stipulated and displayed in the Company website
Newspapers in which quarterly results were published	Financial Express & Patrika
Any website, where displayed	<a href="http://www.pacificindustriesltd.com">www.pacificindustriesltd.com</a> , <a href="http://www.bseindia.com">www.bseindia.com</a> .
Whether the official News Releases are displayed by the company	Official news releases are displayed on the Company's website. It is also published in one/ two newspapers that enjoy a wide circulation in the State where the registered office of the Company is situated – one is in English and other one in vernacular language of the State.

#### General Shareholder Information:

##### AGM Details

Date	30 <sup>th</sup> September, 2013
Venue	Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural) Bangalore - 562123 (Karnataka).
Time	10.00 AM
Book Closure Date	Monday, 23 <sup>rd</sup> September, 2013 to Monday, 30 <sup>th</sup> September, 2013, both days inclusive.
Dividend Payment Date	Company has not declared any dividend for the F.Y. 2012-13

As required under Clause 49 IV(G)(i), particulars of Directors seeking appointment /reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting to be held on 30<sup>th</sup> September, 2013.

#### Financial Calendar

Financial Year 2013-2014		
1	Year ending	31 March 2014
2	AGM	September 2014
3	First Quarter Results	July/August 2013
4	Second Quarter & Half Yearly Results	October/November 2013
5	Third Quarter Results	January/February 2014
6	Annual Results	April/May 2014

#### Listing on Stock Exchanges (with Stock Code)

Stock Exchange	Stock code
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.	Share – 523483
The Calcutta Stock Exchange Asscn. Ltd. 7 Lyons Range, Kolkata – 700 001.	Share – 26020
Jaipur Stock Exchange Ltd.	
Delhi Stock Exchange Association Ltd	
U. P. Stock Exchange Association Ltd.	

The Listing Fees for the year 2012-2013 have been paid to all the Stock Exchanges. The Company will start the process of delisting of it's equity shares from the Stock Exchanges other than BSE, shortly.

#### Market Information:

Monthly High and Low quoted on shares traded on Bombay Stock Exchange are:

Month	High	Low	Close
April,2012	149.25	127.50	133.60
May,2012	132.30	115.00	120.65
June,2012	146.90	118.10	126.15
July,2012	136.50	113.20	122.00
August,2012	172.00	112.60	143.20
September,2012	155.00	132.00	150.35
October,2012	153.95	133.15	146.50
November,2012	200.20	146.00	179.05
December,2012	194.25	160.00	160.05
January,2013	187.00	145.15	153.00
February,2013	159.85	127.00	127.25
March,2013	140.00	105.10	120.00

**Name and address of Registrar & Share Transfer Agent**

Link Intime India Private Limited  
 C-13, Pannalal Silk Mills Compound,  
 L. B. S. Marg, Bhandup (W), Mumbai-400078.  
 Tel.:022-25963838  
 Fax: 022-25946969  
 E-mail: mumbail@linkintime.co.in

Shareholders holding share in the electronic form should address their correspondence, except those relating to dividend, to their respective Depository Participants.

**Share Transfer System**

- a) **Physical Form** - Shares in the physical form for transfer, should be lodged with the office of the Company's Registrar & Share Transfer Agent, M/s Link Intime India Private Limited or at the registered office of the Company. The transfers are processed if technically found to be in order and complete in all respects.

Transfers are normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. The Certain Directors of the Company as well as officers of the R & T Agent are empowered to approve transfers.

SEBI vide its circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 make it mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs for registration of transfer of shares, for securities market transactions and off-market / private transactions involving transfer of shares in physical form.

- b) **Demat Form** - The Company had made arrangements to dematerialize its shares through National Securities Depository Ltd. and Central Depository Services (India) Ltd. and Company's ISIN No. is INE883C01025.

As on 31st March, 2013, a total of 10,19,853 shares of the Company, which forms 75.46% of the total shares, stands dematerialized. The processing activities with respect to the requests received for dematerialisation are completed within 15 days from the date of receipt of request.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2013**

<b>No. of ordinary shares held</b>	<b>No. of shareholders</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
1 – 500	18517	99.34	425933	31.52
501 – 1000	51	0.27	36174	2.68
1001- 10000	58	0.31	217521	16.09
10001 and above	15	0.08	671872	49.71
<b>Total</b>	<b>18641</b>	<b>100.00</b>	<b>1351500</b>	<b>100.00</b>

**Categories of Shareholding as on 31<sup>st</sup> March, 2013**

<b>No. of ordinary shares held</b>	<b>No. of shares</b>	<b>%</b>
Promoters	553640	40.96
UTI, Banks and Mutual Funds	6450	0.48
Financial Institutions	10	0.00
Corporate Bodies	93663	6.93
FII/NRIs / OCBs	12268	0.91
Resident Individuals	685469	50.72
<b>Total</b>	<b>1351500</b>	<b>100.00</b>

**Dematerialization of Shares and Liquidity**

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing of shares the shareholders should open a demat account with the Depository Participant (DP). He is required to fill in a Demat Request Form and submit the same along with the share certificates to his DP. The DP will allocate a demat request no. and shall forward the request physically and electronically through NSDL/CDSL to R & T Agents.

On receipt of the demat request both physically and electronically and after verification, the shares are dematerialized and an electronic credit of the shares is given in the account of the shareholder.

**Address for correspondence**

Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural) Bangalore - 562123 (Karnataka).

E-mail: [pilnorth@pacificgranites.com](mailto:pilnorth@pacificgranites.com)

URL : [www.pacificinduseriesltd.com](http://www.pacificinduseriesltd.com)



## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY

#### Overview of Indian Economy and Company Outlook

India continues to witness a very challenging economic environment. India's GDP growth not only remained weak, but also continued to decline throughout the year 2012-13; the GDP growth rate for the year 2012-13 was being 5% which is the lowest growth in a decade. Looking to the slowdown in the growth of the construction and infrastructure sector, your company may also be affected in coming years. But at the same time, overall production of the Company will also be affected in coming years due to panic created in between mines owners because of the environmental issue which is great concern today. The company has to foresee the situation in its favor in near future.

With increasing global integration, the Indian economy was impacted by global uncertainties, while at the same time faced significant domestic challenges of persistent and high inflation, tight monetary conditions, low investment and delays in policy making.

#### Opportunities:

Your Company is engaged in the manufacturing of High Quality Polished Granite Slabs and Tiles. Your Company makes sustainable efforts to provide beautiful and durable varieties of Granite to the whole world and in the process nurtures long-term relations with customers. All this taken together heralds a bright future for your Company

Your company has also invested in plant and machinery and mining equipments to increase its production capacity for extraction of natural stone blocks and planned for making investment to increase the production capacity of finished granite slabs and tiles to grab the opportunity in the emerging global markets.

#### THREATS:

Indian Granite industries are being forced to invest not only in (increasingly expensive) modern equipment, but also in extraction for access to the raw materials and moreover, also in expensive commercial investments such as opening their own warehouses etc. This strategy has its own risks. It places huge demands on management skills in an industry where, presently, all decisions were made by the owners at the top of the hierarchy. In other words, the granite industry is evolving into a highly capital intensive and complicated industry.

The market share of China in the international trade in granite has been steadily increasing in recent years. If that ever happens the threat to the survival of the elaboration of this industry in other countries will be real.

This is the age of technology. Resist it and you are dead. Invest in it and there is still no guarantee of success. Your Company has developed a strong and persistent work culture to operate successfully in diverse business environments by adapting to new technologies and complexities in different spheres of work. Adjustability and adaptability thus have become a part of day-to-day work. Cost effectiveness is directly and ultimately linked up with our Economies of Scale and total Integration. This is what keeps your Company moving forward with agility and dynamism.

**OUTLOOK:**

India is the world's third largest producer of natural stones and fifth in export of finished products. Even today the Indian share of world market is less than 10%. There is, however, a bright future for increasing the Indian share in the world market with its vast area of granite deposits spreading over more than 15 states and with wide variety of colours and skilled work force. The growth of the granite sector, which provides a lot of employment, particularly for the rural masses, is important for the socio-economic development of the country.

Moreover with the production of Pacific Red Granite, your Company has command dominance in the global market

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

Your Company has in place proper and adequate system of internal controls to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported correctly and to ensure compliance with policies, statutes, rules and regulations. The internal control system provides for documented procedures covering all financial and operating functions.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

Despite the challenges of the environment and the strategic drive to integrate and transform, the organization financial performance was become strong. Company achieved a turnover of Rs. 8825.11 lakh during the year under review as against Rs. 5810.79 lakh in the immediate preceding year. The Net Profit after Tax of the Company is Rs.864.64 lakh as against Rs.449.82 Lakh in the previous year.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Your Company value human resource as one of its most important assets, they being vital to the Company's performance and growth. The human resource systems promote co-operation and innovation within the employees and flexibility to adapt with the changing business needs. With enlightened workers industrial relations in your Company continue to be healthy and cordial.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. The Company can not guarantee that these assumptions and expectations are accurate or will be realized. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand /supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws and other statutes applicable to the Company and incidental factors.

**For Pacific Industries Limited**

Sd/-

**(J. P. Agarwal)**

**Chairman & Managing Director**

**PLACE : Bedla, Udaipur**

**DATED: 30<sup>th</sup> May, 2013**

## Independent Auditor's Report

To the Members of  
Pacific Industries Limited.

### Report on the Financial Statements

We have audited the accompanying financial statements of Pacific Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Qualified Opinion

- a) Refer Note No. 10 in Notes on Financial Statements regarding accounting for taxes.
- b) Refer Note No. 37 in Notes On Financial Statements regarding confirmation and reconciliation of various Debit and Credit balances appearing under various heads & non provision of exchange fluctuation w.r.t. certain old balances. Final reconciliation / confirmation of the same may affect our disclosure.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view subject to above -

- (I) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (II) In the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- (III) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal & Regulatory Requirement**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3c) of section 211 of the Companies Act, 1956 except Accounting Standard 11 : The effects of changes in foreign exchange rates with respect to old balances.
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place: Udaipur  
Date: 30<sup>th</sup> May, 2013

For A.Bafna & Company  
Chartered Accountants  
FRN: 003660C

Sd/-  
(M.K. Gupta)  
Partner  
M.No. 73515

Annexure referred to in paragraph 1 of our report of even date,

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets, no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any substantial / major part of the fixed assets.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is adequate looking the size and affairs of the Company.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records have been appropriately dealt with in the books of accounts.
- (iii) (a) The company has not granted unsecured loan to parties covered in the register maintained under section 301 of the companies act, 1956. Hence the sub-clause (b),(c),(d) of clause (iii) of the order is inapplicable.
- (e) The company has taken interest free unsecured loans from 2 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum balance outstanding at a point of time during the year was Rs.5,19,82,033/- and the year end balance of loan taken from such parties was Rs. 2,30,50,321/- .
- (f) In our opinion, terms & conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.
- (g) According to the information & explanation the unsecured loans taken are repayable on demand and there is no repayment schedule and the company is regular in making payment of principal amount and interest due on loans taken by it wherever stipulation for its repayment has been made.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls,

- (v) (a) According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, such transactions in respect of any party listed in the register maintained under Section 301 of the companies Act, 1956 have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time
- (vi) According to the information and explanation given to us, the company has not accepted any deposits from the public. Therefore the provision of clause (vi) of paragraph 4 of the order are not applicable to the company.
- (vii) **In our opinion, the company does not have an internal audit system commensurate with the size and nature of its business.**
- (viii) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view of determining whether they are accurate and complete.
- (ix) (a) To the best of our knowledge and information obtained and verifications made, we report that the company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, and other material statutory dues applicable to it, except few delays. There are no undisputed amount payable in respect of such dues which have remained outstanding as at 31<sup>st</sup> march 2013 for a period exceeding six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no pending dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess which are not deposited on account of any dispute except the demands raised by the following Departments :-

<b>S. No.</b>	<b>Particulars</b>	<b>Period</b>	<b>Amount of Demand (In Rs )</b>	<b>Amount Deposited (In Rs )</b>
1	Service Tax Demand, Bangalore	Feb 2009 to Dec 2012	453431	347555
2	Entry Tax Demand paid under protest, Bangalore	2010-11	840669	420335
3	Entry Tax Demand paid under protest, Bangalore	2011-12	679839	339920
4	Sales Tax Demand paid under protest, Bangalore	2010-11	2615214	1307606
5	Sales Tax Demand paid under protest, Bangalore	2011-12	1773845	886923
6	Excise Demand, Udaipur	Norms 2007-08,2010-2011,2011-12	11196664	5595984

- (x) The company is not having accumulated losses at the end of the year and company has not incurred cash losses during current year and in immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank during the current financial year.
- (xii) In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, the question of maintenance of records or reporting on deficiencies does not arise.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, during the year under audit, the company did not engage in dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from Banks or Financial institutions.
- (xvi) To the best of knowledge and belief and according to the information & explanation given to us, the company has not availed the term loan during the year under review therefore the said clause is not applicable.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the company does not arises.
- (xix) According to the information and explanations given to us, the company has not issued any debentures.
- (xx) According to the information and explanation given to us the company has not raised any money from Public Issue during the year hence the question of disclosure and verification of end use of such money does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Udaipur  
Date: 30<sup>th</sup> May, 2013

For A.Bafna & Company  
Chartered Accountants  
FRN: 003660C

Sd/-  
(M.K. Gupta)  
Partner  
M.No. 73515



**PACIFIC INDUSTRIES LIMITED**  
**BALANCE SHEET AS ON 31.03.2013**

PARTICULARS	NOTES	31.03.2013	31.03.2012
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	1,35,15,000	1,35,15,000
Reserves & Surplus	2	48,73,28,190	40,08,64,306
		<b>50,08,43,190</b>	<b>41,43,79,306</b>
<b>NON CURRENT LIABILITIES</b>			
Long-Term Borrowings	3	8,78,74,470	13,77,56,434
Long Term Provision	4	1,29,84,764	1,14,42,573
		<b>10,08,59,234</b>	<b>14,91,99,007</b>
<b>CURRENT LIABILITIES</b>			
Trade Payable	5	20,96,14,530	14,94,46,741
Other Current Liabilities	6	14,38,83,557	13,26,44,850
Short Term Provision	7	2,67,40,788	1,51,51,526
		<b>38,02,38,875</b>	<b>29,72,43,117</b>
<b>TOTAL</b>		<b>98,19,41,299</b>	<b>86,08,21,430</b>
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	8		
Tangible Assets		17,84,00,991	16,66,05,969
Intangible Assets		34,165	-
Capital WIP		16,04,056	-
Non-Current Investments	9	4,50,300	4,50,300
Deferred Tax Assets (Net)	10	-	-
Long-Term loans and advances	11	53,13,220	75,88,536
Other Non Current assets	12	79,96,880	-
		<b>19,37,99,612</b>	<b>17,46,44,805</b>
<b>CURRENT ASSETS</b>			
Inventories	13	31,84,28,613	30,31,72,992
Trade Receivable	14	20,08,78,566	17,25,97,751
Cash and Bank Balances	15	7,45,26,515	1,78,68,451
Short-term loans & advances	16	19,35,70,760	19,18,94,919
Other current assets	17	7,37,233	6,42,512
		<b>78,81,41,687</b>	<b>68,61,76,625</b>
<b>TOTAL</b>		<b>98,19,41,299</b>	<b>86,08,21,430</b>

Contingent Liabilities & Commitments [38]

Significant Accounting Policies and Notes on Financial Statements [1-39]

**AS PER OUR AUDIT REPORT OF EVEN DATE**  
**For A. Bafna & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 003660C**

**For and on behalf of the Board**  
**Pacific Industries Ltd.**

Sd/-  
**(M.K. Gupta)**  
**Partner**  
**M.No. 73515**  
**Place: Udaipur**  
**Date: 30<sup>th</sup> May, 2013**

Sd/-  
**J.P. Agarwal**  
**Chairman & Managing Director**

Sd/-  
**Kapil Agarwal**  
**Executive Director**

**PACIFIC INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31.03.2013**

<b>PARTICULARS</b>	<b>NOTES</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
<b><u>Income</u></b>			
Revenue from operations (Gross)	18	88,50,55,764	58,40,02,484
LESS: Excise Duty		25,44,331	29,23,458
Revenue from operations (Net)		88,25,11,433	58,10,79,026
Other Income	19	2,91,23,742	3,27,20,526
<b>TOTAL REVENUE (i)</b>		<b>91,16,35,175</b>	<b>61,37,99,552</b>
<b><u>Expenses</u></b>			
Cost of materials consumed	20	25,76,29,804	18,25,20,722
Purchase of Stock in trade	21	9,15,78,760	2,92,07,064
(Increase)/Decrease in inventories	22	2,35,83,560	1,74,79,932
Manufacturing expenses	23	21,37,09,075	18,21,83,850
Employee Benefit expenses	24	5,61,80,889	4,79,11,869
Finance Cost	25	41,72,908	25,27,697
Other expenses	26	12,68,76,227	6,87,29,422
<b>TOTAL EXPENSES (ii)</b>		<b>77,37,31,223</b>	<b>53,05,60,556</b>
<b>Earnings before Tax and Depreciation</b>		<b>13,79,03,952</b>	<b>8,32,38,996</b>
Depreciation/Amortisation expenses	8	2,80,61,133	2,68,03,284
Pre operative expenses written off		8,88,542	-
<b>Earning Before Tax</b>		<b>10,89,54,277</b>	<b>5,64,35,711</b>
<b><u>Tax expenses of continuing operations</u></b>			
Current Tax		2,20,47,576	1,14,53,487
Payment of earlier year tax demand		4,42,818	-
Profit / (loss) for the period from continuing operations		8,64,63,883	4,49,82,224
<b>Profit / (loss) for the period (Profit After Tax )</b>		<b>8,64,63,883</b>	<b>4,49,82,224</b>

**Basic & Diluted Earning Per Share** [32] **63.98** **33.28**

Significant Accounting Policies and

Notes on Financial Statements [1-39]

**AS PER OUR AUDIT REPORT OF EVEN DATE**

**For A. Bafna & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 003660C**

**For and on behalf of the Board**  
**Pacific Industries Ltd.**

**Sd/-**  
**(M.K. Gupta)**  
**Partner**

**Sd/-**  
**J.P. Agarwal**  
**Chairman & Managing Director**

**Sd/-**  
**Kapil Agarwal**  
**Executive Director**

**M.No. 73515**  
**Place: Udaipur**  
**Date: 30<sup>th</sup> May, 2013**

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

Figures are rounded off to the nearest rupees.

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>NOTE 1 - SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
25000000 Equity Shares @ Rs. 10 each	25,00,00,000	25,00,00,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
1351500 Equity Shares of Rs. 10 each	1,35,15,000	1,35,15,000
	<u><b>1,35,15,000</b></u>	<u><b>1,35,15,000</b></u>

A. Reconciliation of the Shares Outstanding at the Beginning and at the end of the reporting period.

<b>Equity Shares</b>	<u>31.03.2013</u>	<u>31.03.2012</u>
At the beginning of the Period	13,51,500	13,51,500
Add:- Issued during the Period	-	-
Outstanding at the end of the period	<u><b>13,51,500</b></u>	<u><b>13,51,500</b></u>

B. The Company has only one Class of Equity Shares having a par value of 10 per shares. Each holder of equity shares is entitled to one vote per share.

C. SHARES HELD BY EACH SHAREHOLDERS HOLDING MORE THAN 5% SHARES AS ON 31.03.2013

<b>S.No.</b>	<b>Name Of Shareholder</b>	<u>31.03.2013</u>		<u>31.03.2012</u>	
		<u>No. of Shares</u>	<u>% of Shareholding</u>	<u>No. of Shares</u>	<u>% of Shareholding</u>
<b>1</b>	GEETA DEVI AGARWAL	1,89,421	14.02%	1,89,421	14.02%
<b>2</b>	KAPIL AGARWAL	1,34,635	9.96%	1,34,635	9.96%
<b>3</b>	LALITA DEVI MODI	73,884	5.47%	73,884	5.47%

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>NOTE 2 - RESERVE AND SURPLUS</b>		
<b>SURPLUS</b>		
Balance as per last financial statements	40,08,64,306	35,58,82,081
Profit for the year	8,64,63,883	4,49,82,224
<b>Net Surplus in the statement of Profit &amp; Loss</b>	<u><b>48,73,28,190</b></u>	<u><b>40,08,64,306</b></u>
<b>Total Reserve and Surplus</b>	<u><b>48,73,28,190</b></u>	<u><b>40,08,64,306</b></u>

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b><u>NOTE 3 - LONG TERM BORROWINGS</u></b>		
<b>A) TERM LOANS</b>		
<b>Secured Vehicle Loan from Banks</b>		
ICICI Bank	25,44,682	58,12,130
HDFC Bank	95,51,880	34,684
<b>Net Amount</b>	<b><u>1,20,96,562</u></b>	<b><u>58,46,814</u></b>
Amount Disclosed under the head "Other Current Liabilities	1,01,54,345	53,14,030
 <b>Note 3.1</b>		
(a) Loans from ICICI bank for Vehicles carries interest @ 9.99% To 10.07%. The loans are repayable in 36 Monthly installments.		
(b) Loans from HDFC Bank for Vehicles carries interest @ 8.00% To 09.14%. The loans are repayable in 36 monthly installments.		
--- All the above Loans are secured by way of Hypothecation of respective assets.		
 <b>B) LOAN AND ADVANCES FROM SHARE HOLDERS, DIRECTORS, ASSOCIATES AND OTHER CORPORATE BORROWINGS</b>		
<b>LOANS-UNSECURED</b>		
From Related Parties	2,30,50,321	5,19,82,033
From Companies	5,05,00,000	7,77,00,000
Securities Deposits from Customers	22,27,587	22,27,587
<b>TOTAL LONG TERM BORROWINGS</b>	<b><u>8,78,74,470</u></b>	<b><u>13,77,56,434</u></b>
 <b><u>NOTE 4 - Long Term Provisions</u></b>		
Provision for employee benefits		
Provision for Gratuity	1,29,84,764	1,14,42,573
	<b><u>1,29,84,764</u></b>	<b><u>1,14,42,573</u></b>

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

**NOTE 5 - TRADE PAYABLES**
Sundry Creditors

For Material	10,08,95,595	7,99,08,611
For Expenses	3,11,68,028	3,07,66,208
For Others	7,75,50,907	3,87,71,922

<b>TOTAL TRADE PAYABLES</b>	<b>20,96,14,530</b>	<b>14,94,46,741</b>
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Note 5.1 The Government of India has promulgated "The Micro, Small & Medium Enterprises Development Act" 2006 which came into force w.e.f. October 2, 2006. The Company is required to identify the Micro & Small Enterprises & pay them interest on overdue beyond the specified period irrespective of the terms agreed with the enterprises. The Company has initiated the process of identification of such suppliers. In view of no. of suppliers & no receipt of critical inputs & response from several such potential parties, the liability of interest cannot be reliable estimated nor can required disclosure be made. Accounting in this regard will be carried out after process is complete and reliable estimate can be made in this regard. Since the Company is regular in making payments to all suppliers, the management does not anticipate any significant interest liability.

**NOTE 6 - OTHER CURRENT LIABILITIES**

Current maturities of long term borrowings & Hire Purchase Loans	1,01,54,345	53,14,030
Interest accrued but not due on borrowings	99,849	64,099
Payable for Capital Assets	2,02,66,030	2,02,66,030
Other liabilities	30,57,978	92,91,369
Security Deposits	87,696	66,656
Statutory Dues	12,28,799	25,34,241
Advances from Customers	9,99,03,134	8,81,90,385
Outstanding Liabilities	90,85,725	64,91,583
Credit Balance of Bank	-	4,26,457

<b>14,38,83,557</b>	<b>13,26,44,850</b>
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**NOTE 7 - SHORT TERM PROVISIONS**

Provision for employee benefits		
Provision for Bonus & Ex-gratia	24,12,378	22,08,409
Provision for Leave Encashment	22,80,834	14,89,630
Provision for Income Tax	2,20,47,576	1,14,53,487

<b>2,67,40,788</b>	<b>1,51,51,526</b>
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PACIFIC INDUSTRIES LTD  
 NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013

**NOTE 8 - Fixed Assets**

Particulars	Gross Block		Depreciation			Net Block				
	As at 01.04.2012	Addition	Deduction	As At 31.03.2013	Upto 01.04.2012	For the period	Adjustment For Depreciation	Upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
Land	1,25,130	-	-	1,25,130	-	-	-	-	1,25,130	1,25,130
Leasehold Land	2,98,83,659	29,73,082	-	3,28,56,741	-	-	-	-	3,28,56,741	2,98,83,659
Building	8,42,11,280	17,22,612	-	8,59,33,892	4,25,46,866	33,51,158	-	4,58,98,025	4,00,35,867	4,16,64,414
Plant & Machinery	54,86,62,414	46,76,500	-	55,33,38,914	48,15,67,785	1,44,08,095	-	49,56,76,756	5,76,62,158	6,70,94,629
Furniture & Fixture	76,96,123	9,03,089	-	85,99,212	56,73,072	4,84,283	-	64,56,482	21,42,730	20,23,051
Vehicle	3,45,89,199	77,48,060	-	4,23,37,259	1,35,99,432	65,55,694	-	2,01,55,127	2,21,82,132	2,09,89,767
Mining Equipment	9,65,06,367	2,35,70,929	-	12,00,77,296	9,16,81,049	50,00,014	-	9,66,81,063	2,33,96,233	48,25,318
<b>Total- A</b>	<b>80,16,74,172</b>	<b>4,15,94,272</b>	<b>-</b>	<b>84,32,68,444</b>	<b>63,50,68,203</b>	<b>2,97,99,244</b>	<b>-</b>	<b>66,48,67,453</b>	<b>17,84,00,991</b>	<b>16,66,05,969</b>
<b>B. Intangible Assets</b>										
Intangible Assets	-	37,950	-	37,950	-	3,785	-	3,785	34,165	-
<b>Total- B</b>	<b>-</b>	<b>37,950</b>	<b>-</b>	<b>37,950</b>	<b>-</b>	<b>3,785</b>	<b>-</b>	<b>3,785</b>	<b>34,165</b>	<b>-</b>
<b>C. Capital Work In Progress</b>										
CWIP	-	16,04,056	-	16,04,056	-	-	-	-	16,04,056	-
<b>Total - C</b>	<b>-</b>	<b>16,04,056</b>	<b>-</b>	<b>16,04,056</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,04,056</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>80,16,74,172</b>	<b>4,32,36,278</b>	<b>-</b>	<b>84,49,10,450</b>	<b>63,50,68,203</b>	<b>2,98,03,029</b>	<b>-</b>	<b>66,48,71,238</b>	<b>18,00,39,212</b>	<b>16,66,05,969</b>

Note- From the total amount of depreciation an amount of Rs. 1741896 has been transferred to Pre operative expenses and balance Rs. 28061133 has been charged to Statement of Profit & loss

	Amount
Total amount of depreciation	29803029
Less: Transferred to Pre operative Expenses	1741896
Amount to be charged from P & L	28061133

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>NOTE 9- NON CURRENT INVESTMENTS</b>		
<b>Non trade</b>		
<u>Investment in Corporate Bodies. Unquoted, fully paid up</u>		
100 Equity Shares of Narmada Chematur Petro Ltd. of Rs. 10/- each Fully Paid-up	2,000	2,000
6100 Equity shares of Sattelite Engg. Ltd. of Rs. 10/- each Fully Paid-up	1,22,000	1,22,000
500 Equity Shares of Jaicrop Limited of Rs. 10/- each Fully Paid-up	55,000	55,000
12200 Equity Shares of Uni Royal Textile India Limited of Rs. 10/- each Fully Paid-up	1,22,000	1,22,000
400 Equity Shares of Federal Bank Ltd. of Rs. 10/- each Fully Paid-up	36,000	36,000
100 Equity Shares of Liberty Shoes Ltd. of Rs. 10/- each Fully Paid-up	9,900	9,900
2400 Equity Shares of Bharat Immunosil Limited of Rs. 10/- each Fully Paid-up	24,000	24,000
120 Equity Shares of Bajaj Auto Finance Ltd. of Rs. 10/- each Fully Paid-up	39,000	39,000
<b>Total Quoted Cost (A)</b>	<b>4,09,900</b>	<b>4,09,900</b>
<b>MARKET VALUE OF QUOTED INVESTMENTS</b>		
National Saving Certificate (Pledge with the Govt.) Face Value	40,400	40,400
<b>Total Unquoted Cost (B)</b>	<b>40,400</b>	<b>40,400</b>
<b>TOTAL INVESTMENTS (A+B)</b>	<b>4,50,300</b>	<b>4,50,300</b>

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>NOTE 10- Deferred Tax Assets (Net)</b>	NIL	NIL
	-	-

Note 10.1 The company has substantial amount of unrecognized MAT credit of Rs. 68404487/- and hence the company is liable to pay Minimum Alternate Tax (MAT) in accordance with the provisions of the Income tax Act, 1961. The same has been debited to Statement of Profit and Loss of the company. MAT credit is not recognized as a measure of prudence. However the figures of the Deferred Tax liabilities / Assets as on 31.03.2013 is as under:-

<u>Particulars</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>Deferred Tax Liabilities</b>		
Difference in Books & IT Depreciation	-	-
<b>Deferred Tax Assets</b>		
Difference in Books & IT Depreciation	58,74,969	41,87,502
Expenses Debited in Statement of Profit and Loss But To Be allowed in Subsequent Years in Income Tax	7,20,469	20,65,960
Unabsorbed Loss / Depreciation	-	8,04,003
<b>Net Deferred Tax Assets</b>	<b>65,95,438</b>	<b>70,57,465</b>

**NOTE 11 - LONG TERM LOAN AND ADVANCES**

**Unsecured, considered Good**

A) Security Deposits - Unsecured considered good	53,13,220	75,88,536
	<b>53,13,220</b>	<b>75,88,536</b>

**NOTE 12 - OTHER NON-CURRENT ASSET**

Pre- operative expenses	79,96,880	
	<b>79,96,880</b>	-



**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>NOTE 13 - INVENTORIES</b>		
(As taken ,valued & certified by the management)		
A) Raw Material	13,28,89,200	10,08,96,885
B) Work In Process	1,89,04,411	2,76,47,268
C) Finished Goods	12,17,56,370	13,63,92,680
D) Stock-in-Trade	-	4,10,873
E) Consumables, Stores & Spares	3,57,54,503	2,89,07,637
F) Scrap	91,24,129	89,17,649
	<b><u>31,84,28,613</u></b>	<b><u>30,31,72,992</u></b>

**NOTE 13.1 - PARTICULARS OF INVENTORY**

Particulars	Closing Inventory	Opening Inventory
<b><u>Manufactured Goods</u></b>		
Granite Slabs		
Polished	11,47,55,811	13,08,65,634
Cut To Size	49,63,130	49,63,130
Blocks	16,01,517	0
Marble Slabs		
Polished	1,27,970	2,04,303
Cut To Size	2,51,511	2,51,511
Natural Sandstone		
Polished	56,431	1,08,102
<b>Total</b>	<b><u>12,17,56,370</u></b>	<b><u>13,63,92,680</u></b>
<b><u>Trading Goods</u></b>		
Granite Slabs		
Polished	-	4,10,873
<b>Total</b>	<b><u>-</u></b>	<b><u>4,10,873</u></b>
<b><u>WIP</u></b>		
Granite Slabs	1,87,17,956	2,75,94,011
Natural Sandstone	1,86,455	53,257
<b>Total</b>	<b><u>1,89,04,411</u></b>	<b><u>2,76,47,268</u></b>

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

**NOTE 14 - TRADE RECEIVABLES**

Unsecured, Considered Good

A) Trade Receivables Outstanding for more than six months	6,07,15,993	4,48,17,125
B) Trade Receivables (Others)	14,01,62,573	12,77,80,626

<b>20,08,78,566</b>	<b>17,25,97,751</b>
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**Note 14.1** All Trade Receivables are likely to be realized within twelve months from the date of Balance Sheet.

**Note 14.2** Trade Receivables of Rs. 446828/- are to be realized from related parties.

**NOTE 15 - Cash & Bank Balances**
**A) Cash & Cash Equivalents**

Cash On Hand	38,31,937	41,76,979
Balances with Banks		
- Current Account	3,43,88,306	45,87,535

**B) Other Bank Balances (More Than 3 Months)**

FDRs with Bank	3,63,06,272	91,03,937
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<b>7,45,26,515</b>	<b>1,78,68,451</b>
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**Note : 15.1** FDR's includes Deposits which are pledged against BG/LC Rs. 1,306,507/- (Previous Year Rs. 1,208,051/-)

**Note : 15.2** FDR's includes Deposits of Rs. 1,80,00,000/- excluding interest (Previous Year Rs. 1,118,525/-) with maturity of more than 12 months.

Note : 15.3 FDR of Rs 30,00,000 are pledged against Bank Guarantee in Favour Sales Tax Department as follows:-

Rs 8,00,000- Demand raised by the Sales Tax Department for Entry Tax Amount Payable

Rs 22,00,000- Demand raised by the Sales Tax Department for VAT Amount Payable

**Note : 15.4** New FDR of Rs 3,01,00,000 with ICICI Bank is pledged against Margin Money

**NOTE 16 - SHORT TERM LOAN AND ADVANCES**

UNSECURED, CONSIDERED GOOD

**Advances Recoverable in Cash or Kind**

Cenvat & Input Tax Credit	2,80,25,253	1,96,09,320
Advances To Vendors	2,80,07,712	4,52,39,078
Advances To Others	10,07,02,169	8,57,17,330
Capital Advances	67,76,878	3,51,33,318
TDS Receivable	10,45,249	6,38,148
Advance Income Tax	1,80,00,000	7,00,000
Service Tax Receivable	34,04,768	32,51,273
Security Deposits, consider good (Current Portion)	76,08,731	16,06,452

<b>19,35,70,760</b>	<b>19,18,94,919</b>
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**Note : 16.1** Advances To Others includes Rs. 8,26,20,049/- (Previous Year Rs. 17,56,640/- ) with Related Parties.

**NOTE 17- OTHER CURRENT ASSETS**

Prepaid expenses	5,09,099	2,18,680
Accrued Interest	2,28,134	4,23,832

<b>7,37,233</b>	<b>6,42,512</b>
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**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>NOTE 18 - REVENUE FROM OPERATIONS</b>		
<b>Sale of Product</b>		
Granite	87,19,65,191	56,08,29,443
Marble	76,82,531	1,10,28,525
Natural Stone	43,33,073	1,06,38,067
<b>Other operating revenue</b>		
Scrape Sale	3,19,242	3,15,000
Sales of DEPB License	-	9,99,830
Export Incentives (Duty Drawback)	7,55,727	1,91,619
<b>Revenue from operations (gross)</b>	<b>88,50,55,764</b>	<b>58,40,02,484</b>
LESS: Excise Duty	25,44,331	29,23,458
<b>Revenue from operations (Net)</b>	<b>88,25,11,433</b>	<b>58,10,79,026</b>
<b>NOTE 19 - OTHER INCOME</b>		
Interest Income	81,64,162	42,60,883
Profit on Sales of Vehicle	-	7,62,372
Net Exchange Rate Fluctuation	1,13,69,948	1,73,56,865
<b>Other Non-Operating Income (Net of Expenses)</b>		
Provision Written Back	3,09,020	2,16,036
CST Refund	9,68,100	5,68,003
Dividend Received	820	6,602
Insurance Claim Received	6,76,570	80,400
Mics Income	42,54,339	839,309
Mics Balances Written-Off	33,80,783	86,30,056
	<b>2,91,23,742</b>	<b>3,27,20,526</b>
<b>Note 19.1</b> Rebates, claims and discount etc on sales are accounted for and being provided for as and when settled with the parties as per consistent policy adopted by the Company every year.		
<b>NOTE 20 - COST OF RAW MATERIALS CONSUMED</b>		
Opening Stock	10,08,96,885	4,22,74,439
Add: Purchases Less Returns	28,96,22,117	24,09,27,969
Less: Closing Stock	13,28,89,199	10,06,81,685
	<b>25,76,29,804</b>	<b>18,25,20,722</b>
<b>NOTE 20.1 - PARTICULARS OF RAW MATERIALS CONSUMED</b>		
Granite Block	25,54,14,043	18,02,87,497
Marble Block	4,70,768	7,45,070
Natural Stone	17,44,993	14,88,155
<b>Total</b>	<b>25,76,29,804</b>	<b>18,25,20,722</b>
<b>NOTE 21 - PURCHASE OF STOCK IN TRADE</b>		
Slabs Trading Purchase	9,13,33,465	2,92,07,064
Block Trading Purchase	2,45,295	-
	<b>9,15,78,760</b>	<b>2,92,07,064</b>
<b>NOTE 21.1 - PARTICULARS OF TRADING PURCHASES</b>		
Granite Slabs	8,69,36,932	2,68,56,178
Marble Slabs	46,41,828	23,50,886
<b>Total</b>	<b>9,15,78,760</b>	<b>2,92,07,064</b>

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS , WIP</b>		
<b>Opening Stock</b>		
Work in Process	2,76,47,268	2,69,76,281
Finished Goods	13,63,92,680	15,46,82,938
Stock of Trading Goods	4,10,873	-
Scraps	89,17,649	91,89,183
	<b>17,33,68,470</b>	<b>19,08,48,402</b>
<b>Less : Closing Stock</b>		
Work in Process	1,89,04,411	2,76,47,268
Finished Goods	12,17,56,370	13,63,92,680
Stock of Trading Goods	-	4,10,873
Scraps	91,24,129	89,17,649
	<b>14,97,84,910</b>	<b>17,33,68,470</b>
	<b>(Increase)/Decrease</b>	
	<b>2,35,83,560</b>	<b>1,74,79,932</b>
<b>NOTE 23 - MANUFACTURING EXPENSES</b>		
Consumption of Stores, Spares & Consumables	16,30,33,210	13,79,16,406
Blade Brazing Expenses	3,82,003	3,45,685
Power & Fuel Expenses	4,17,09,311	3,72,44,937
Finishing & Block Dressing Expenses	-	19,410
Entry Tax	2,57,617	2,05,825
Factory Expenses	22,76,265	16,58,194
Freight Charges	2,88,423	3,36,331
Slurry & Trans. Expenses	39,06,583	30,87,800
<u>Repairs &amp; Maintenance</u>		
- Plant & Machineries	18,55,663	13,69,262
- Building	-	-
	<b>21,37,09,075</b>	<b>18,21,83,850</b>
<b>NOTE 24 - EMPLOYEE BENEFITS EXPENSES</b>		
Factory Wages & Allowances	2,00,15,268	1,60,22,917
Salary & Allowances	1,94,53,961	1,56,70,881
Director's Remuneration	52,56,834	53,40,915
Staff & Labour Welfare Expenses	21,26,539	17,18,866
Contribution to PF, ESI, Gratuity Fund etc.	93,28,287	91,58,290
	<b>5,61,80,889</b>	<b>4,79,11,869</b>
<b>NOTE 25 - FINANCE COSTS</b>		
Interest On Car Loan	18,27,800	5,20,796
Interest to Others	4,467	24,736
Interest On Income Tax	10,43,240	7,69,097
Interest Paid on late fees	1,962	1,802
Interest paid on Cash/Packing Credit	-	7,514
Interest On TDS	16,085	22,462
Bank Charges	12,79,354	11,81,290
	<b>41,72,908</b>	<b>25,27,697</b>

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>NOTE 26 - OTHER EXPENSES</b>		
<b>A) ADMINISTRATIVE EXPENSES</b>		
A.G.M. Expenses	-	2,515
Auditor's Remuneration	2,84,711	2,55,553
Auditor's Expenses & Reimbursement	1,74,871	-
Boarding & Lodging Exp	7,11,604	6,69,963
Books & Periodicals	12,750	9,516
Business & Guest Expenses	5,32,440	3,89,902
Computer Exp.	1,60,010	1,79,819
Conveyance	7,18,865	7,10,711
Custody Charges	35,595	-
Director's Travelling Expenses	65,29,008	47,16,297
Diwali Expenses	1,53,116	73,584
Donation	21,500	23,001
Fees, Subscription & Membership	6,91,410	4,70,519
Festival & Pooja Expenses	2,47,218	2,78,822
Fire Fitting Expenses	20,180	29,684
Garden Maintenance	74,038	87,793
Guest Expenses	2,57,657	6,06,427
Insurance Expenses	4,55,261	3,54,948
Internet Expenses	1,26,516	1,62,030
Lease Rent	526	83,183
Legal Expenses	4,35,054	4,57,679
Listing Fees	39,913	59,212
Light & Water	24,367	15,833
Net Loss on Derivatives (Forward Contracts)	-	2,18,407
Medical Expenses	40,171	55,954
Miscellaneous Articles W/off	2,100	3,255
Miscellaneous Exp	2,81,121	75,131
Office Expenses	9,90,276	6,41,351
Postage & Courier	11,74,027	9,67,366
Professional Charges	5,15,748	4,43,855
Printing & Stationery	7,71,001	6,05,176
Rates & Taxes	18,35,008	9,94,685
Recruitment & Training	8,009	10,107
Service tax expenses	6,705	-
Quarry Exp	1,63,164	3,66,435
Telephone Expenses	15,42,568	16,42,577
Travelling Expenses	32,54,273	23,37,303
Typing & Photocopy Expenses	83,325	75,757
Vehicle Exp - Repairs & Maintenance	32,05,514	36,60,227
Repair & Maintenance Others	5,74,058	7,29,124
Share Transfer Expense	22,664	66,513
Software Development Expenses	60,842	6,674
Security Service Charges	12,36,296	7,62,156
	<b><u>2,74,73,480</u></b>	<b><u>2,32,99,044</u></b>
<b>B) SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement Expenses	42,968	47,872
Commission & Brokerage	7,39,869	18,05,547
Discount on Sales	5,53,298	9,46,544
Compensation	1,42,975	7,14,567
Exhibition Expenses	41,05,418	51,20,611
Freight & Forwarding on Sales	7,55,36,552	3,15,02,480
Freight & Forwarding - TR	1,62,66,783	31,22,680
Incentive On Block Marketing	3,61,341	3,30,215
Insurance - MARINE	7,20,383	9,18,577
Loading Expenses	25,415	34,460
Packing - TRADING	8,64,500	8,65,500
Sales Promotion Expenses	43,245	21,325
	<b><u>9,94,02,747</u></b>	<b><u>4,54,30,378</u></b>
<b>TOTAL</b>	<b><u>12,68,76,227</u></b>	<b><u>6,87,29,422</u></b>

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

**NOTE 27 - Value of Imported & Indigenous Material Consumed.**

	<u>31.03.2013</u>		<u>31.03.2012</u>	
	<u>Amount</u>	<u>% of Consumption</u>	<u>Amount</u>	<u>% of Consumption</u>
Raw Materials				
Imported	1,52,18,092	5.91	61,76,396	3.38
Indigenous	24,24,11,712	94.09	17,63,44,326	96.62
<b>Total</b>	<b>25,76,29,804</b>	<b>100.00</b>	<b>18,25,20,722</b>	<b>100.00</b>
Stores, Spares & Consumables				
Imported	8,12,28,075	49.84	7,45,72,945	54.07
Indigenous	8,18,05,135	50.16	6,33,43,461	45.93
<b>Total</b>	<b>16,30,33,210</b>	<b>100.00</b>	<b>13,79,16,407</b>	<b>100.00</b>
Capital Goods				
Imported	-	-	-	-
Indigenous	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b><u>NOTE 28 - Value of Imports on CIF Basis in Respect of :</u></b>		
(A) Raw Materials	1,56,45,440	95,88,882
(B) Stores, Spares & Consumables		
Steel Blade	2,80,95,151	2,20,06,950
Steel Grit	4,72,44,892	4,01,08,870
Polishing Stone	24,77,981	79,05,719
Imported Store & Spares	44,62,768	66,14,040
(C) Capital Goods	13,69,244	-
<b>Total</b>	<b>9,92,95,476</b>	<b>8,62,24,461</b>

**NOTE 29 - Particulars of Payment To Auditors**

Audit Fee ( Including Service Tax)	2,34,149	1,37,875
Limited review	50,562	66,180
Reimbursement of Expenses	1,74,871	51,498
<b>Total</b>	<b>4,59,582</b>	<b>2,55,553</b>

**NOTE 30 - Expenditure in Foreign Currency**

Foreign Travelling	6,37,068	8,02,555
Commission	1,22,320	0
<b>Total</b>	<b>7,59,388</b>	<b>8,02,555</b>

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>NOTE 31 - Earnings in Foreign Exchange</b>		
FOB Value of Exports	81,07,52,036	55,40,82,094
Others		
	<u><u>81,07,52,036</u></u>	<u><u>55,40,82,094</u></u>
<b>NOTE 32 - Earnings Per Share</b>		
No. of Equity Shares (Weighted Average)	13,51,500	13,51,500
Profit After Tax	86463883	44982224
Earnings Per Share (Basic & Dilutive)	<u><u>63.98</u></u>	<u><u>33.28</u></u>

Note- The Company has only one Class of Equity Shares having a par value of 10 per shares. Each holder of equity shares is entitled to one vote per share.

**NOTE 33 - Prior Period Adjustments**

Following Items have been included in respective heads : -

MISC. Written off	43,409	-
Application fees For Mines	5,000	-
Assessment fee	7,000	-
Business Guest Expense	1,350	-
Commission	-	2,46,730
Consultancy & Services Charges	26,500	-
Consumables	34,600	-
Courier Services	92	-
CST Demand/ recoverable	2,82,559	27,432
Deduction on VAT refund adjustment entry made	4,060	62,185
Excise Duty/overtime	74,182	-
Fiber Filling Exp	(22,800)	-
Fluctuation Amount Recorded	2,825	-
Freight & Forwarding	1,90,322	(1,45,731)
Interest Others	-	11,761
Labour charges	8,967	26,612
Legal and professional fees	10,000	1,49,500
Printing and stationary	(4,600)	-
Postage & Courier	-	22,240
Power & Electricity	-	69,000
Purchases	(4,73,336)	-
Repairs Amount	11,500	-
Sale of DPEB License	-	(4,38,058)
Telephone exp.	9,392	8,744
Tour and Travelling	(13,359)	-
	<u><u>1,97,663</u></u>	<u><u>40,415</u></u>

**Note 34** In line with the notification dated 31<sup>st</sup> March, 2009 issued by The Ministry of Corporate Affairs, amending Accounting Standard AS11 –'Effects of Changes in Foreign Exchange Rates', the Company has chosen to exercise the option under paragraph 46 inserted in the standard by the notification. Accordingly, the company has adjusted the foreign currency exchange differences on amounts outstanding for acquisition of fixed assets, to the carrying cost of fixed assets.

**Note 35** The Company has only one reportable segment i.e. exports of Granite & Marble.

**NOTE 36 - Related parties information is as under – AS 18**

(a) Key Management Personnel	Shri J.P. Agarwal (Chairman & Managing Director) Shri Kapil Agarwal (Whole Time Director)					
(b) Relatives	Ankit Agarwal Geeta devi Agarwal Kanika Agarwal Sarita Agarwal Shruti Agarwal					
(c) Entities in which key management personnel and their relatives are interested.	Ankit Buildmart Pvt. Ltd. Dhawal Marbles and Granites Pvt. Ltd. Divya Finlease Pvt. Ltd. Geetanjali Education Society Geetanjali Foundation Geetanjali Infosystems (P) Ltd Geetanjali Institute of technical studies Geetanjali Investech Holdings Pvt Ltd, Geetanjali Marble Geetanjali University Trust J P Marble Kapil Exports Krishna Marble Lakecity Housing P.Ltd. Ojaswi Marbles & Granites Pvt. Ltd. Pacific Export Pacific Leasing Pearl Exports Pearl real home developer Rahul Awas yojna p. Ltd. Rahul Marbles Pvt. Ltd. Shephali Hotel & Resorts Pvt. Ltd. Shruti Syntheices ltd. Yash Processors Pvt. Ltd					
Particulars	Referred in (a) Above (Rs. in Lacks)		Referred in (b) Above (Rs. in Lacks)		Referred in (c) Above (Rs. in Lacks)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Purchases	0.00	0.00	0.00	0.00	11.28	3.86
Sales	0.00	0.00	0.00	0.00	22.97	5.47
Salary	52.57	53.41	24.00	20.68	0.00	0.00
Payables/(Advance)	(79.80)	(3.48)	(17.30)	(2.26)	(154.56)	(50.69)
Loan Taken during the year	0.00	0.00	0.00	0.00	230.10	996.29
Loan Repaid during the year	0.00	0.00	0.00	0.00	519.42	429.04
Loan Outstanding as on 31 – March	0.00	0.00	0.00	0.00	230.50	519.82



**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2013**

**Note 37** - Debit & Credit Balances appearing under Sundry Debtors, Advance Receivables in Cash or in Kind , Unsecured Loans, Sundry Creditors are subject to confirmation & reconciliation. Adjustment, if any, in these accounts will be made as & when finally reconciled & confirmed. Trade Receivables & Trade Payables have been taken at their Book Value after making necessary adjustment on account of foreign exchange fluctuation except in cases of some old balances lying in account.

**NOTE 38 - Contingent Liabilities & Commitments**

**Contingent Liabilities**

**(A) Claims against the company not acknowledge as debt.**

- A.1** Demand of Rs 8.66 lacs against which the company has deposited Rs 8.66 lacs under Central Excise act against which the company has filed an appeal.
- A.2** Service Tax refund claim rejection of Rs 3.40 lacs against which the company is perusing the matter with concerned department.
- A.3** The company has a total demand of Rs. 15.21 lacs for Entry Tax out of which the company has deposited Rs. 7.60 Lacs under protest. For rest of the amount of Rs 7.61 Lacs the company is perusing the matter with concerned department.
- A.4** The company has a total demand of Rs. 43.89 lacs from Sales Tax Department against which the company has deposited Rs. 21.95 Lacs under protest. For rest of the amount of Rs 21.95 Lacs the company is perusing the matter with concerned department.
- A.5** The Company also has contingent liability of Rs. 18.30 lacs in respect of Custom duty for which Company has deposited NIL amount.
- A.6** Demand Raised by Service Tax Department of Rs 4.53 Lacs out of which 3.47 Lacs has been deposited and for rest of the amount of Rs 1.06 he company is perusing the matter with concerned department.
- A.7** Demand Raised by the Central Excise Commissionerate of Rs 1.11 Crores/- against which Rs 55.96 Lacs is deposited by the company.

**(B) Guarantees** NIL

**(C) Other Contingent Liabilities**

- C.1** Show cause notice recd from excise authorities of Rs 1.02 crore in respect of excise duty imposed on ground of availing wrong benefit of exemption notification on imported marble blocks, however no demand has been received from the excise authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.
- C.2** (a) Show Cause notice recd from excise authorities of Rs 4.94 crore in respect of custom duty under the provision of Custom Act 1962 imposed on ground of availing wrong benefit of exemption notification on imported marble blocks. However no demand has been received from the Custom authorities against the same and based on the legal opinion obtained, the company does not expect any liability on this account.

**Commitments**

- (A)** Forward Contracts entered but remaining to be executed Rs. NIL / \$ NIL (Previous Year Rs. 1,32,18,250 / \$ 250000).

**NOTE 39** - Previous years figures have been regrouped and rearranged wherever considered necessary.

**AS PER OUR AUDIT REPORT OF EVEN DATE**

**For A. Bafna & Co.**  
Chartered Accountants  
Firm Reg. No. 003660C

**For and on behalf of the Board**  
Pacific Industries Ltd.

Sd/-  
**(M.K. Gupta)**  
Partner  
M.No. 073515  
Place: Udaipur  
Date: 30<sup>th</sup> May, 2013

Sd/-  
**J.P. Agarwal**  
Chairman & Managing Director

Sd/-  
**Kapil Agarwal**  
Executive Director

**PACIFIC INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2013**

PARTICULARS	31.03.2013	31.03.2012
<b>A: CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before extraordinary items & tax as per Statement of Profit and Loss	10,89,54,277	5,64,35,711
Adjusted for:		
Profit on Sale / Discard of Assets (net)	-	(7,62,372)
Depreciation and Amortization Expense	2,80,61,133	2,68,03,284
Interest Income	(81,64,162)	(42,60,883)
Interest Paid	28,93,554	13,21,671
Other Financial Expenses	12,79,354	11,81,290
Pre-Operative Depreciation	17,41,896	
<b>Operating Profit before Working Capital Changes</b>	<b>13,47,66,052</b>	<b>8,07,18,702</b>
Adjusted for:		
Trade and Other Receivables	(2,82,80,815)	(68,69,468)
Inventories	(1,52,55,620)	(4,32,10,020)
Current Assets	(74,92,120)	(7,52,55,184)
Current Liabilities	7,39,43,860	2,44,17,855
	2,29,15,305	(10,09,16,817)
<b>Cash Generated from Operations</b>	<b>15,76,81,357</b>	<b>(2,01,98,115)</b>
Taxes Paid	(1,14,53,487)	(93,48,540)
Earlier Year Tax Demand	(4,42,818)	-
<b>Net Cash from Operating Activities</b>	<b>14,57,85,052</b>	<b>(2,95,46,655)</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(4,32,36,278)	(1,55,17,927)
Sale of Fixed Assets	-	17,82,002
Interest Income	81,64,162	42,60,883
<b>Net Cash (used in) Investing Activities</b>	<b>(3,50,72,116)</b>	<b>(94,75,042)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Receipt/Repayment of Borrowings	(4,98,81,964)	4,62,73,722
Interest Paid	(28,93,554)	(13,21,671)
Other Financial Expenses	(12,79,354)	(11,81,290)
<b>Net Cash (used in) / from Financing Activities</b>	<b>(5,40,54,872)</b>	<b>4,37,70,761</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>5,66,58,064</b>	<b>47,49,064</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>1,78,68,451</b>	<b>1,31,19,387</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>7,45,26,515</b>	<b>1,78,68,451</b>

AS PER OUR AUDIT REPORT OF EVEN DATE

For A. Bafna & Co.  
Chartered Accountants  
Firm Reg. No. 003660C

For and on behalf of the Board  
Pacific Industries Ltd.

Sd/-  
(M.K. Gupta)  
Partner  
M.No. 73515  
Place: Udaipur  
Date: 30<sup>th</sup> May, 2013

Sd/-  
J.P. Agarwal  
Chairman & Managing Director

Sd/-  
Kapil Agarwal  
Executive Director

**PACIFIC INDUSTRIES LIMITED**

**Corporate information**

“Pacific Industries Limited” is a public Limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is engaged in manufacturing of Granites & Marble Slabs. In the current Financial year 2012-13, the company has expanded its line of business to mining of granite blocks operation which is carried out under a unit of company located in Chennai. The Company is having 100% EOU & caters huge demand of Foreign Markets for Granite & Marbles Slabs.

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

**(1) General / Basis of Preparation :**

The company follows mercantile basis of accounting and recognizes income and expenses on accrual basis except otherwise mentioned. The accounts are prepared on historical cost basis on the principles of going concern. Accounting policies not specifically referred are consistent and in consonance with generally accepted accounting principles.

**(2) Use of Estimates :**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statement and the reportable amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the year in which the results known/materialized.

**(3) Revenue Recognition:**

(i) Revenue in respect of sales of goods is recognized at the point of dispatch/ passage of title of goods to the customer. Sales are net of excise duty and sales tax.

(ii) Insurance and other claims being unascertained are accounted on receipt basis.

**(4) Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction or at revalued amounts wherever such assets have been revalued less accumulated depreciation.

**(5) Depreciation :**

Depreciation on Fixed assets has been provided on written down value as per the rates prescribed under schedule XIV of the companies Act, 1956.

Depreciation on additions has been provided on pro-rata basis from the date on which asset is capitalized/ put to use, wherever applicable.

Fixed assets costing Rs. 5,000/- or less are being fully depreciated in the year of acquisition.

**(6) Impairment of Assets :**

The carrying amounts of tangible fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, impairment is charged to statement of profit and loss.

Recoverable amounts are estimated for individual assets where feasible, otherwise to the relevant cash generating unit.

**(7) Investment:**

- (i) Investments are classified into current and long term investment.
- (ii) Long term investments are carried at cost. Provision for diminution is made in the value of investment to recognize a decline if any, other than temporary.
- (iii) Current investments are stated at lower of cost and net realizable value.

**(8) Export Incentive:**

Export incentives on trading export such as import entitlement, advance license are accounted for on the realization/ sale thereof.

**(9) Employee Benefits:**

- (i) Gratuity payable to employees, who are eligible are accounted for on the basis of actuarial valuation received from Life Insurance Corporation of India and leave encashment payable to employees, who are eligible are accounted for on the basis as it becomes due for payment on the last date of accounting year.
- (ii) Provident fund paid/ payable during the year is charged to Statement of Profit & Loss.

**(10) Inventories:**

- (i) Raw materials, stores & spares, consumables are valued at actual cost on FIFO basis.
- (ii) Stock-in-process is valued at weighted average cost which includes cost of raw material, stores & spares and other consumable consumed and manufacturing expenses, production overheads and depreciation.
- (iii) Finished goods are valued at cost or at estimated realizable value whichever is lower. Cost for this purpose includes raw materials, wages, manufacturing expenses, production overheads and depreciation.
- (iv) Scrap is valued at estimated realizable value.
- (v) Crazy/ wastage arising out of production is valued at net realizable value.

**(11) Foreign Currency Transactions:**

- (i) Foreign Currency transactions are accounted for at the exchange rate prevailing on the date of such transaction, where such transactions are not covered by forward contracts. Gains/ Losses arising out of the fluctuation in the exchange rate are accounted at the year end or on realization.
- (ii) Current assets & liabilities are translated at year-end rate. Exchange fluctuation, if any, are adjusted in statement of profit and loss (except related to fixed assets) during the year and the related current assets and liabilities accordingly restated in the balance sheet.
- (iii) In respect of foreign currency taken for acquisition of fixed assets, any fluctuation arising due to such transactions are adjusted in the cost of the respective fixed assets.

**(12) Taxation**

- a) Current tax is the provision made for Income Tax liability, if any on profits in accordance with the provisions of the Income Tax Act, 1961.
- b) Deferred tax is recognized on timing differences, being the difference resulting from the recognition of items in the financial statements and in examining the current income tax.
- c) Deferred tax assets are recognized on unabsorbed depreciation/ business losses to the extent that there is virtual certainty supported by convincing evidences that sufficient future taxable income will be available against which such deferred tax assets can be realized and on expenses incurred but to be allowed on payment basis as per provision of the Income Tax Act, 1961
- d) Deferred tax assets and liabilities are measured using the tax rate and tax law that have been enacted on the Balance Sheet date.

**(13) Contingent Liabilities:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**ATTENDANCE SLIP**

**Pacific Industries Limited**

**Registered Office:** Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural)Bangalore - 562123 (Karnataka).

(Please fill this attendance slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company to be held at Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk ( Rural)Bangalore - 562123 (Karnataka).  
on Monday the 30<sup>th</sup> September, 2013 at 10.00 A. M.

Folio No. # \_\_\_\_\_

DP ID\* \_\_\_\_\_

No. of shares held \_\_\_\_\_

CLIENT ID\* \_\_\_\_\_

Member's / Proxy's name (in Block Letters)

Signature

**# Applicable for shares held in physical form.**

**\* Applicable for shares held in dematerialized form.**

**PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.**

.....  
**PROXY FORM**

**Pacific Industries Limited**

**Registered Office:** Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural)Bangalore - 562123 (Karnataka).

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being member(s) of **Pacific Industries Limited** hereby appoint Mr. / M s. \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her Mr./ M s. of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company to be held at Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural)Bangalore - 562123 (Karnataka) on Monday the 30<sup>th</sup> September, 2013 at 10.00 A. M. and at any adjournment thereof.

Folio No. # \_\_\_\_\_

DP ID\* \_\_\_\_\_

No. of shares held \_\_\_\_\_

CLIENT ID\* \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013

Affix Rs. One Revenue Stamp

Signature

**# Applicable for shares held in physical form.**

**\* Applicable for shares held in dematerialized form.**

**Note: This form in order to be effective should be duly stamped, completed, signed and must be deposited at the registered office of the company not less than 48 hrs. before the time for holding the meeting.**

