

Some  
Wonders  
are  
forever.....



[www.pacificgranites.com](http://www.pacificgranites.com)



Bangalore Unit



Udaipur Unit



### Udaipur

- ➔ 4 Granite Gangsaw
- ➔ 1 Bretan Multiwire to be installed having 59 wires
- ➔ 6 Circular Saws
- ➔ 2 Expory Line
- ➔ 2 Line polishing machine

### Bangalore

- ➔ 7 Granite Gangsaw
- ➔ 3 Line polishing machine
- ➔ 1 Expory line
- ➔ 1 Gaspari Multiwire having 69 wires



**PACIFIC**  
INDUSTRIES LIMITED  
**CORPORATE INFORMATION**

**Board of Directors**

Mr. J. P. Agarwal	Chairman & Managing Director
Mr. Kapil Agarwal	Executive Director
Mr. Sagar M. Agarwal	Non-executive Independent Director
Mr. Jayanti Oza	Non-executive Independent Director
Mr. Sumeet Agarwal	Non-executive Director
Mr. Mangi Lal Dangi	Non-executive Independent Director
Mrs. Geeta Devi Agarwal	Non-executive Director
Mr. Vinod Choudhary	Non Executive Independent Director

<b>Audit Committee</b>	<b>Nomination &amp; Remuneration Committee</b>
Mr. S. M. Agarwal	Mr. S. M. Agarwal
Mr. Jayanti Oza	Mr. Jayanti Oza
Mr. Sumeet Agarwal	Mr. Sumeet Agarwal

<b>Stakeholder Relationship Committee</b>	<b>Corporate Social Responsibility Committee</b>
Mr. S. M. Agarwal	Mrs. Geeta Devi Agarwal
Mr. Jayanti Oza	Mr. Vinod Choudhary
Mr. Sumeet Agarwal	Mr. Sumeet Agarwal

<b>Statutory Auditors</b>	<b>Registrar &amp; Share Transfer Agent</b>
M/s A. Bafna & Co. Chartered Accountants K-2, Raj Apartment, Keshav Path, C-Scheme Jaipur – 302 001 (Rajasthan).	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 : <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>

<b>Bankers</b>
HDFC BANK HDFC House, Senapati Bapat Marg, Lower Parel W, Mumbai, Maharashtra - 400013, India

<b>Regd. Office</b>
Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural) Bangalore - 562123 (Karnataka). E-mail: <a href="mailto:pilnorth@pacificgranites.com">pilnorth@pacificgranites.com</a> <a href="http://www.pacificindustriesltd.com">URL : www.pacificindustriesltd.com</a>



<b>Stock Exchange where Company's Securities are listed</b>	<b>Secretarial Auditors</b>
BSE Limited	M/s S. Hirawat & Associates, Company Secretaries, A-6, 401-A, Kamal Apartment-2, Banipark, Jaipur-302006

<b>Company Secretary</b>	Ms. Khushbu Sethi
<b>Website</b>	<a href="http://www.pacificindustriesltd.com">www.pacificindustriesltd.com</a>
<b>Investor Relations Email ID</b>	<a href="mailto:pacificinvestor@rediffmail.com">pacificinvestor@rediffmail.com</a>

<b>Plant Locations</b>	
<b>Unit I :</b> Village: Bedla, Udaipur – 313004 (Rajasthan) Tel. No. 0294-2440933 Fax No. 0294-2440780.	<b>Unit II :</b> Village : Survey No. 13, Kempalingahalli Nelamangala Taluk (Rural) Bangalore - 562123 (Karnataka) Tel. No. 080-27723004 Fax No. 080-27723005.

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**NOTICE**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of **PACIFIC INDUSTRIES LIMITED** will be held on Friday the 30th September, 2016 at 10.00 A.M. at Survey No.13, N.H.48, Kempalinganhalli, Nelamangala Taluka Bangalore- 562123, Karnataka, the registered office of the Company to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March 2016, and the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sumeet Agarwal (DIN: 02484015) who retires by rotation, and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: -

**“RESOLVED THAT** pursuant to Section 139, 142 and any other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), the company ratifies the appointment of M/s A. Bafna & Co., Chartered Accountants (Firm Registration No. 003660C), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting (AGM) of the Company, at such remuneration as may be decided by the Board of Directors of the Company.”

Place: Bedla Udaipur

Date: 13th August, 2016

**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**  
**DIN: 00386183**

**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE THE MEMBER OF THE COMPANY.
2. The instrument appointing a proxy, duly completed must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. A statement giving the relevant details of the Directors seeking re-appointment under Item No. 2 of the accompanying Notice as required by Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. In pursuance of Section 105 of the Companies Act, 2013 and the applicable rules there on, a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the Total share capital of the company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
5. The member of the Company or proxy holders should bring attendance slips duly completed and signed mentioning therein details of the DP ID and client ID/ Folio No.
6. In case of Joint Holders attending the meeting, only such joint holders who is higher in the order of names will be entitled to vote at the meeting.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Company's Registered Office all working days of the Company, during business hours upto the date of the Meeting.
8. Corporate members intending to send their authorized representative to attend the meeting, pursuant to the Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the Relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote at the meeting on their behalf.
9. Members seeking any information with regards to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
10. Members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the [pacificinvestor@rediffmail.com](mailto:pacificinvestor@rediffmail.com)
11. The Notice of AGM along with the Annual Report 2015-16 is being sent to all Members whose name appear in the Register of Members/ List of Beneficial Owners received from NSDL and CDSL as on 26th August, 2016 (cut-off date) by electronic mode to those members whose email addresses are registered with the Company / Depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN and other details to their Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form can submit their PAN and other details to the Company' and Registrar and Transfer Agent.
13. The Members who holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advise to make a nomination through their Depository Participants.

14. The Register of Directors and KMP and their shareholding and register of contracts or arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013 will be available for inspection by the members at AGM.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44(1) of SEBI (LODR) Regulations, 2015, the company is pleased to offer remote e-voting facility for the members to enable them to cast their votes electronically on all resolutions set forth in this Notice.
16. Mr. B. K. Sharma, Practicing Company Secretaries (Membership No. FCS 6206), has been appointed as the Scrutinizer to scrutinize the voting at AGM and remote e-voting process in fair and transparent manner.
17. The facility for voting through Ballot/Polling Paper shall also be made available at the meeting and Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
18. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
19. The Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com) and also on the website of respective Stock Exchanges.
20. The instructions for shareholders for remote e-voting are as under:-

The Company has engaged the services of NSDL for the purpose of providing remote e-voting facility to all its Members.

- (i) Members whose email addresses are registered with the Company / Depository Participant(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the remote e-voting process:
  - a. Open email and open the PDF file titled "Pacific Industries Limited-Postal Ballot.pdf" using your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that this password is an initial password.
  - b. Launch your internet browser and type the following URL : <https://www.evoting.nsdl.com>.
  - c. Click on Shareholder - Login
  - d. Enter the user ID and password (the initial password noted in step (a) above). Click on Login.
  - e. The Password change menu will appear. Change the password to a password of your choice. The new password should have a minimum of 8 digits / characters or a combination thereof. It is strongly recommended that you do not share your

password with any other person and take utmost care to keep your password confidential.

- f. The homepage of e-voting will open. Click on e-voting: Active Voting Cycles.
  - g. Select 'EVEN' (E Voting Event Number) of Pacific Industries Limited.
  - h. Now you are ready for remote e-voting as the Cast Vote page opens.
  - i. Cast your vote for each item of agenda by selecting the option of your choice and click on 'Submit', and also remember to 'Confirm' when prompted.
  - j. On confirmation, the message 'Vote cast successfully' will be displayed.
  - k. After you have voted on a resolution once, you will not be allowed to modify your vote.
  - l. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of the relevant Board resolution / authorization letter etc., together with attested specimen signature of the authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer via e-mail to [bksharma162@gmail.com](mailto:bksharma162@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (ii) For Members whose email IDs are not registered with the Company / Depository Participant(s) and who receive the AGM Notice in Physical Form, the following instructions may be noted:
- a. The user id and initial password for Remote E-voting is provided at the bottom of the Attendance slip attached with the notice.
  - b. Please follow the instructions from a. to l. as mentioned in step 1 to cast your vote
- (iii) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for Members available in the 'Downloads' section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (iv) Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- (v) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
- (vi) The remote e-voting period commences on Monday, 26th September, 2016 from 09:00 A.M. to Thursday, 29th September, 2016 till 05:00 P.M. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the record date i.e. 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he or she will not be allowed to change it.
- (vii) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the relevant date i.e. 23rd September, 2016.

21. The Scrutiniser, after scrutinising the votes cast at the meeting and through remote e-voting, will make a consolidated scrutinizer's report not later than two days of the conclusion of the Meeting and submit the same to the Chairman or Authorised person. The results declared along with the consolidated Scrutiniser's Report shall be placed on the website of the Company [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)
22. Dispatch of Documents through electronic mode/ Registration of E-Mail Addresses: In pursuance of the provisions of the Companies Act, 2013 and the rules made thereunder, the Company proposes to send documents like notice of general meeting, annual reports, etc. to the shareholders through electronic mode. In case you have not registered your email address so far, we request you to register your email ID (or change therein, if any) with your Depository Participant (where the shares are held in dematerialized form) or our share transfer agent (where the shares are held in physical form) by submitting the E-communication Registration Form attached herewith.
23. The route map showing direction to reach the venue of the 27th AGM is annexed at the end of the Report.
24. Any Member(s) who require any special assistance of any kind at the venue of the Twenty Seventh AGM are requested to send details of their special needs in writing to the Company email Id- [pacificinvestor@rediffmail.com](mailto:pacificinvestor@rediffmail.com) at least three days before the date of AGM.
25. Details of Directors seeking re appointment at the forthcoming AGM under Item No. 2 -

<b>Name of the Director</b>	<b>Mr. Sumeet Agarwal</b>
Director Identification Number (DIN)	02484015
Date of Birth	03/02/1975
Nationality	Indian
Date of Appointment in Board	29/08/2002
Qualification	B.Com
Shareholding in the Company	NIL
List of Directorships held in other Companies (excluding foreign , private and Section 8 Companies )	NIL
Memberships/ Chairmanship of Audit and Stakeholders Relationship Committees across Public Companies	NIL

## BOARDS' REPORT

To,

The Members of Pacific Industries Limited,

The Board of Directors have pleasure in presenting their 27th Annual Report on the business and operations of Pacific Industries Limited along with the Audited Financial Statements for the Financial Year Ended March 31, 2016.

### 1. Financial Highlights

The financial Results of the company for the year ended 31st March, 2016 are as follows:

(Rs. In Lacs)

Particulars	2015-2016	2014-2015
Revenue from Operations and Other Income	6719.49	6929.93
Less: Operating Cost	5717.24	5615.97
<b>Operating Profit/PBDIT</b>	<b>1002.25</b>	<b>1313.96</b>
Less: Interest & Finance Charges	289.80	225.70
Less: Depreciation & Amortization Expenses	601.41	692.76
<b>Profit Before Tax and Exceptional Items</b>	<b>111.04</b>	<b>395.50</b>
Add: Exceptional items	-	-
<b>Profit Before Tax</b>	<b>111.04</b>	<b>395.50</b>
Less: Provision for Tax	21.10	80.96
<b>Profit After Tax</b>	<b>89.94</b>	<b>314.54</b>
Transfer to General Reserve	-	-
<b>Surplus carried to Balance Sheet</b>	<b>89.94</b>	<b>314.54</b>

The Revenue from operations for FY 2015-16 at Rs.6719.49 Lacs was declined by 3.03% over last year (Rs. 6929.93 Lacs in FY 2014-15). The Profit after tax in FY 2015-16 was Rs. 89.94 Lacs in comparison to previous FY 2014-15 Rs. 314.54 Lacs.

### 2. Dividend and transfer to Reserve

Your Directors have not recommended any dividend for the year 2015-2016. The Board of Directors didn't propose to transfer any sum to the General Reserve.

### 3. Directors and Key Managerial Personnel

During the Financial year, pursuant to the provisions of section 149 of the Companies Act, 2013, Mr. Jayanti Lal Oza, Mr. Sagarmal Agarwal, Mr. Mangi Lal Dangi were appointed as Independent Directors at the Annual General Meeting of the Company held on Sep 30, 2015 for a period of Three Years with effect from 1st October, 2015 to 30th September, 2018. The terms & conditions for the appointment of Independent Directors are given on the website of the Company and separately disclosed in the Corporate Governance Report.

All the Independent Directors have submitted declaration that they meet the criteria of independence as provided in section 149 (6) of the Companies Act, 2013 and Regulation

16(1)(b) of SEBI (Listing and Disclosure Requirements), 2015 and there has been no change in the circumstances which may affect their status as independent director during the year.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Sumeet Agarwal is liable to retire by rotation at ensuing Annual General Meeting and being eligible offer himself for reappointment.

Ms. Khushbu Sethi was appointed as Company Secretary in place of Mr. Ineet Singh Arora, who has resigned during the period under review.

#### **4. Credit Rating**

The Credit Rating has been affirmed for long-term rating of ICRA - BB+ and for short-term rating of ICRA - A4+ on the bank facilities of the Company.

#### **5. Particulars of Employees**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, has been given in the Annexure 1.

#### **6. Number of the meetings of the Board of Directors**

The Board met Five times during the FY 2015-16, on May 29, 2015; June 15, 2015; August 14, 2015; November 07, 2015 and February 12, 2016.

The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

#### **7. Board Evaluation**

The board of directors has carried out an annual evaluation of its own performance, that of its committees and individual directors pursuant to the provisions of the Companies Act, 2013 and Listing Agreement & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In a separate meeting of independent directors, performance of non-independent directors, and the Board as a whole was reviewed. Further, performance of the chairman was also evaluated, taking into account the views of executive directors and non-executive directors.

The evaluation of all the directors and board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report.

#### **8. Policy on director's appointment and remuneration and other details**

The Nomination and Remuneration Policy of the company as per Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which forms part of this report.

#### **9. Committees of The Board**

There are currently four Committee of the Board which are as follows:

a) Audit Committee

- b) Nomination & Remuneration Committee
- c) Corporate Social Responsibility (CSR) Committee
- d) Stakeholders' Relationship Committee

Details of all the Committees along with their composition, charters and meetings held during the year, are provided in the "Report on Corporate Governance", which forms part of this Annual Report.

#### **10. Directors' Responsibility Statement**

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act 2013 and state that :

- a. In the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. such accounting policies as mentioned in note 1 to the financial statements have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial year on 31st March, 2016 and of profit and loss of the Company for that period;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. Proper internal financial controls have been laid down which are adequate and were operating effectively.
- f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **11. Related Party Transactions**

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no material significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their relatives which may have a potential conflict with the interest of the Company at large. Particulars of contracts or arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 in the form AOC 2 is annexed herewith as Annexure 2. The Board has also framed a policy on related party transactions and the same is available on Company's website i.e. [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)

**12. Vigil Mechanism / Whistle Blower Policy**

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or policy. The policy is also available on the Company's website i.e. [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)

**13. Internal Control Systems and their Adequacy**

The Company has well defined mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions considering the nature, size and complexity of its business.

The Company maintains adequate internal control systems that provide among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. Mr. Ravi Sharma, Chartered Accountant was appointed as an Internal Auditor of the Company. The Internal Auditors independently evaluate adequacy of internal controls and audit the majority of the transactions undertaken by the Company. Post audit reviews are carried out to ensure that audit recommendations have been implemented.

The Audit Committee of the Board of Directors which comprises of majority of Independent Directors, inter alia, reviews the adequacy and effectiveness of internal Control and monitors implementation of Internal Audit observations.

**14. Auditors and Auditors' Report****A. Statutory Auditors**

Pursuant to the provisions of section 139 of the Companies Act and the rules framed thereunder, **M/s A. Bafna & Co.**, Chartered Accountants, Jaipur, were appointed as Statutory Auditors of the Company from the conclusion of 26th Annual General Meeting of the company held on Sep 30, 2015 till the conclusion of 28th AGM to be held in the calendar year 2017, subject to ratification of their appointment at every AGM.

There is qualification or adverse remark contained in the Statutory Auditors' Report attached to Balance Sheet as at 31st March, 2016. Information referred in Auditors' Report are self-explanatory and do not call for any further comments.

**B. Secretarial Auditor**

The board has appointed **M/s Saroj Hirawat & Associates**, Practising Company Secretaries, as secretarial auditor of the Company for the FY 2015-16 as per the provisions of Section 204 of Companies Act 2013 and rules made thereunder.

The Secretarial Audit Report for the financial year 2015-16 is attached herewith as Annexure 3. There is no reservation, qualification or adverse remark contained in the Secretarial Auditor Report.

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

The particulars of loans, guarantees and investments have been disclosed in the financial statements as Note 10 and 12.

**16. Deposits**

The Company has not accepted any deposits during the year 2015-16 and, as such, no amount of principle or interest was outstanding as of the Balance Sheet date.

**17. Extract of Annual Return**

As provided under section 92(3) of the Companies Act, 2013 the extract of annual return is given in Annexure-4 in the prescribed form MGT-9, which forms part of this report.

**18. Corporate Social Responsibility (CSR)**

As required under Section 135 of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities and to monitor the Corporate Social Responsibility Policy of the Company from time to time. The composition of CSR Committee has been given in Annual Report on CSR activities.

The Annual Report on CSR activities is annexed herewith as Annexure- 5.

**19. Prevention of Insider Trading**

In compliance with the provisions of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted a code of conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information to preserve the confidentiality of price sensitive information, prevent misuse thereof and regulate the trading by Insiders. The code of practice and procedures for fair disclosure of unpublished price sensitive information is also available on the Company's website i.e. [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com).

**20. Risk Management**

The Company has framed and implemented a Risk Management Policy to identify the various business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk management policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

**21. Management Discussion and Analysis Report**

The Management Discussion and Analysis Report of the financial condition and results of operations of the Company for the year under review as required regulation 34(2)(e) of SEBI (Listing and Disclosure Requirements) Regulations, 2015 is being given separately and forms part of this Annual Report.

**22. Corporate Governance**

The Company has complied with the corporate governance requirements as stipulated under the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges. A separate section on corporate governance, along with certificate from the auditors confirming the compliance is annexed and forms part of the annual report. The Chairman & Managing Director has confirmed and declared that all the members of the Board and the Senior Management have affirmed compliance with the code of conduct.

**23. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as per section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is appended as Annexure 6 and forms part of the Report.

**24. Green Initiatives**

As in the previous years, this year too, Electronic copies of the annual Report 2015-16 and the notice of the 27th Annual General Meeting are sent to all members whose email addresses are registered with the Company/ Depository Participant(s). For the members who have not registered their email addresses, physical copies are sent in the permitted mode.

**25. Acknowledgements**

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 on the commitment and hard work put in by the management and all the employees of the company.

**Annexure - 1**
**Particulars of Employees**

- I. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. **Remuneration paid to Whole Time Director**

Name of Director	Remuneration in FY 2015-16	Remuneration in FY 2014-15	% Inc./ (Dec) in Remuneration	Ratio of Remuneration to MRE
Mr. J.P Agarwal	Rs.24.00 Lacs	Rs.24.00 Lacs	0.00	15.18
Mr. Kapil Agarwal	Rs.24.00 Lacs	Rs.24.00 Lacs	0.00	15.18

B. **Remuneration paid to KMPs**

Name of Director	Remuneration in FY 2015-16	Remuneration in FY 2014-15	% Inc./ (Dec) in Remuneration	Ratio of Remuneration to MRE
Ms. Khushbu Sethi – Company Secretary	2.64 Lacs*	NA	NA	1.67

**\*based on annualized salary, MRE - Median Remuneration of Employees**

- C. The median remuneration of employees was Rs. 1,58,052/- in financial year 2015-16 and Rs. 1,36,740/- in financial year 2014-15. There was increase in MRF in financial year 2015-16 of 15.58% as compared to financial year 2014-15.
- D. Number of permanent employees on the rolls of Company was 258 employees as on 31.03.2015.
- E. The total revenue of the Company during the financial year 2015-16 was Rs. 6719.49 lacs as compared to financial year 2014-15 was Rs. 6929.93 lacs and the net profit declined by 71.40%.
- F. The aggregate remuneration of the employees was increased by 10.44% over the previous financial year.
- G. There was no increase in the salary of WHOLE TIME DIRECTOR. The increase in remuneration of other than KMP's was 14.58%. The increase in total remuneration of KMPs including whole time director was 1.25% over the previous financial year.
- H. Increase in the total remuneration of the employees (10.44%) and all KMPs (1.25%) as against the revenue of the Company Decline by (3.04%).
- I. Our market capitalization decrease by 16.30% to Rs. 16.22 crores as on 31st March, 2016 from Rs. 19.38 Crores as on 31st March, 2015. The price earning ratio was 18.04 as on 31st March, 2016 and on 31st March 2015 it was 6.16. The closing price of the Company's Equity Share was at

BSE as on 31st March 2016 was Rs.120/- . The Company has not made any Public issue or Right issue of Securities in the last year, so comparison have not been made of current share price with public offer price.

- J. Average Salary increase of non- managerial employees was 1.25% and that of managerial employees 14.58% in financial year 2015-16. There are no exceptional circumstances in increase in managerial remuneration.
- K. No Director received any variable component of remuneration during the financial year 2015-16.
- L. The Whole Time Director is the highest paid Director. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year was NIL.
- M. Remuneration paid during the year ended 31stMarch, 2016 is as per the Remuneration Policy of the Company.
- II. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: There is no Employee in the company getting Salary more than the specified limit in this Rule.

**Annexure - 2**
**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-Not Applicable -
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Name (s) of related party & nature of relationship	Nature of contracts/ Arrangements /transaction	Duration of contracts/ arrangements /transaction	Salient terms of the contracts/arrangement s or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Rahul Marbles Pvt. Ltd.	Sales	Ongoing	Sales for the business of the Company Rs. 2,874,516	N.A.	N.A.
Rahul Marbles Pvt. Ltd.	Purchase	Ongoing	Purchase for the business of the Company Rs. 472,112		
Krishna Marbles	Purchase	Ongoing	Purchase for the business of the Company Rs. 4,554,447	N.A.	N.A.

**For and on behalf the Board of Directors**  
**SD/-**

**J. P. Agarwal**  
Chairman & Managing Director  
DIN: 00386183

## Annexure - 3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**PACIFIC INDUSTRIES LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pacific Industries Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Pacific Industries Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings; there was no transaction of FDI, ODI and ECBs during the period under review
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **There was no issue of securities during the period under review.**
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014. **Not applicable to the company during the period under review.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not applicable to the company during the period under review.**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **Not applicable to the company during the period under review.**
  - (h) The Securities and Exchange Board of India (Buy Back of securities) Regulations, 1998. **Not applicable to the company during the period under review.**
- (vi) As informed and certified by the management, the Mining Act, 1952 is applicable to the company based on their sector/industry. The company has complied with the provisions of the said Act during the period under review.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as “Annexure A” and forms as an integral part of this report.

**For S Hirawat & Associates**  
**Company Secretaries**

SD/-  
[SAROJ HIRAWAT]  
Proprietor  
M. No. : FCS -4248  
COP No.: 2438

PLACE: Jaipur  
DATE: 19th May, 2016

**'Annexure A'**

To,  
The Members,  
Pacific Industries Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
4. We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax.
5. Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
6. The compliances of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination is limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S Hirawat & Associates  
Company Secretaries

SD/-  
[SAROJ HIRAWAT]  
Proprietor  
M. No. : FCS -4248  
COP No.: 2438

PLACE: Jaipur  
DATE: 19th May, 2016

**Annexure- 4**
**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016  
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014]

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L14101KA1989PLC062041
2.	Registration Date	13/07/1989
3.	Name of the Company	Pacific Industries Limited
4.	Category/Sub-category of the Company	Category: Company Limited by Shares Sub-category- Non-government company
5.	Address of the Registered office & contact details	Survey No.13, N.H.48, Kempalinganhalli, Nelamangala Taluka, Bangalore, Karnataka-562123. Tel. No.: 91-080-27723004 Fax No.: 91-080-27723004 Email : <a href="mailto:pilnorth@pacificgranites.com">pilnorth@pacificgranites.com</a> Website: <a href="http://www.pacificindustriesltd.com">www.pacificindustriesltd.com</a>
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated):-

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Mining And Quarrying	081	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

SN	Name and Address of the Company	CIN/GLN/	Holding/Subsidiary /Associate	% of Shares	Applicable Section
NA					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	507789	0	507789	37.57	520592	0	520592	38.51	0.94
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	74610	0	74610	5.52	74610	0	74610	5.52	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>582399</b>	<b>0</b>	<b>582399</b>	<b>43.09</b>	<b>595202</b>	<b>0</b>	<b>595202</b>	<b>44.03</b>	<b>0.94</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	6380	6380	0.47	0	1140	1140	0.084	(0.386)
b) Banks / FI	20	40	60	-	20	40	60	-	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	10	10	-	0	10	10	-	0
g) FIs	0	10	10	-	0	10	10	-	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	3350	3350	0.24	0.24
<b>Sub-total (B)(1):-</b>	<b>20</b>	<b>6440</b>	<b>6460</b>	<b>0.48</b>	<b>20</b>	<b>4550</b>	<b>4570</b>	<b>0.33</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	73241	14947	88188	6.53	69707	14603	84310	6.23	(0.294)
b) Individuals									

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	287173	297205	584378	43.23	242250	293524	535774	39.64	(3.56)
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	77410	0	77410	5.73	98866	0	98866	7.31	1.58
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	5378	4420	9798	0.72	4728	0	4728	0.34	(0.38)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	4420	4420	0.32	0.32
Clearing Members	2867	0	2867	0.21	23630	0	23630	1.74	1.53
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	446069	316572	762641	56.42	439181	312547	751728	55.62	(0.8)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	446089	323012	769101	56.90	439201	317097	756298	55.96	(0.94)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	1028488	323012	1351500	100	1034403	317097	1351500	100	0

## B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	<b>Individuals</b>							
1	Geeta Devi Agarwal	190421	14.09	-	190421	14.09	-	0
2	Kapil Agarwal	135635	10.04	-	135635	10.04	-	0
3	Jagdish Prasad Agarwal	42336	3.13	-	42336	3.13	-	0
4	Piyush Maroo	11750	0.87	-	11750	0.87	-	0

5	Ankur Agarwal	20000	1.48	-	20000	1.48	-	0
6	Gaurav Agarwal	10000	0.74	-	10000	0.74	-	0
7	Narayan Agarwal	10330	0.76	-	10330	0.76	-	0
8	Sudha Agarwal	12808	0.95	-	12808	0.95	-	0
9	Dwarka Prasad Agarwal	10000	0.74	-	10000	0.74	-	0
10	Shanti Lal Maroo	8750	0.65	-	8750	0.65	-	0
11	Ankit Agarwal	18259	1.35	-	18259	1.35	-	0
12	Jitendra Kumar Taylia	5000	0.37	-	5000	0.37	-	0
13	Kanika Agarwal	18250	1.35	-	24250	1.79	-	0.44
14	Shruti Agarwal	14250	1.05	-	21053	1.55	-	0.50
	<b>Sub Total</b>	<b>507789</b>	<b>37.57</b>	-	<b>520592</b>	<b>38.51</b>	-	0.74
	<b>Body Corporates</b>							
15	Rahul Marbles Pvt. Ltd.	60000	4.44	-	60000	4.44	-	0
16	Pacific Leasing And Research Ltd.	14610	1.08	-	14610	1.08	-	0
	<b>Sub Total</b>	<b>74610</b>	<b>5.52</b>	-	<b>74610</b>	<b>5.52</b>	-	0
	<b>TOTAL:</b>	<b>582399</b>	<b>43.09</b>	-	<b>595202</b>	<b>44.03</b>	-	0.74

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Geeta Devi Agarwal				
	At the beginning of the year	190421	14.09	190421	14.09
	Increase/Decrease	No Change			
	At the end of the year	190421	14.09	190421	14.09
2.	Kapil Agarwal				
	At the beginning of the year	135635	10.04	135635	10.04
	Increase/Decrease	No Change			
	At the end of the year	135635	10.04	135635	10.04
3.	Jagdish Prasad Agarwal				
	At the beginning of the year	42336	3.13	42336	3.13
	Increase/Decrease	No Change			
	At the end of the year	42336	3.13	42336	3.13
4.	Piyush Maroo				
	At the beginning of the year	11750	0.87	11750	0.87
	Increase/Decrease	No Change			
	At the end of the year	11750	0.87	11750	0.87
5.	Ankur Agarwal				

	At the beginning of the year	20000	1.48	20000	1.48
	Increase/Decrease	No Change			
	At the end of the year	20000	1.48	20000	1.48
6.	Gaurav Agarwal				
	At the beginning of the year	10000	0.74	10000	0.74
	Increase/Decrease	No Change			
	At the end of the year	10000	0.74	10000	0.74
7.	Narayan Prasad Agarwal				
	At the beginning of the year	10330	0.76	10330	0.76
	Increase/Decrease	No Change			
	At the end of the year	10330	0.76	10330	0.76
8.	Sudha Agarwal				
	At the beginning of the year	12808	0.95	12808	0.95
	Increase/Decrease	No Change			
	At the end of the year	12808	0.95	12808	0.95
9.	Dwarka Prasad Agarwal				
	At the beginning of the year	10000	0.74	10000	0.74
	Increase/Decrease	No Change			
	At the end of the year	10000	0.74	10000	0.74
10.	Shanti Lal Maroo				
	At the beginning of the year	8750	0.65	8750	0.65
	Increase/Decrease	No Change			
	At the end of the year	8750	0.65	8750	0.65
11.	Ankit Agarwal				
	At the beginning of the year	18259	1.35	18259	1.35
	Increase/Decrease	No Change			
	At the end of the year	18259	1.35	18259	1.35
12.	Jitendra Kumar Taylia				
	At the beginning of the year	5000	0.37	5000	0.37
	Increase/Decrease	No Change			
	At the end of the year	5000	0.37	5000	0.37
13.	Kanika Agarwal				
	At the beginning of the year	18250	1.35	18250	1.35
	19.06.2015 (Market Purchase)	6000	0.44	24250	1.79
	At the end of the year			24250	1.79
14.	Shruti Agarwal				
	At the beginning of the year	14250	1.05	14250	1.05
	19.06.2015 (Market Purchase)	6803	0.50	21053	1.55
	At the end of the year			21053	1.55
15.	Rahul Marbles Pvt. Ltd.				
	At the beginning of the year	60000	4.44	60000	4.44
	Increase/Decrease	No Change			
	At the end of the year	60000	4.44	60000	4.44
16.	Pacific Leasing And Research Ltd.				
	At the beginning of the year	14610	1.08	14610	1.08
	Increase/Decrease	No Change			
	At the end of the year	14610	1.08	14610	1.08

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Shareholding For Each of the Top 10 Shareholders of the Company	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mentor Capital Limited</b>				
	<b>At the beginning of the year</b>	62,991	4.66	62,991	4.66
	There is no change during the financial year 2015-2016				
	<b>At the end of the year</b>			62991	4.66
2.	<b>Lalita Devi Modi</b>				
	<b>At the beginning of the year</b>	55884	4.13	55884	4.13
	Purchase/ (Sale) from 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	(12,803)	(0.94)		
	<b>At the end of the year</b>			43081	3.18
3.	<b>Sarita Agarwal</b>				
	<b>At the beginning of the year</b>	20,083	1.48	20,083	1.48
	There is no change during the financial year 2015-2016				
	<b>At the end of the year</b>			20,083	1.48
4.	<b>Babita Mansaka</b>				
	<b>At the beginning of the year</b>	14,246	1.05	14,246	1.05
	There is no change during the financial year 2015-2016				
	<b>At the end of the year</b>	14,246	1.05	14,246	1.05
5.	<b>Chirag Maroo</b>				
	<b>At the beginning of the year</b>	10,960	0.81	10,960	0.81
	There is no change during the financial year 2015-2016				
	<b>At the end of the year</b>			10,960	0.81
6.	<b>Dinesh Agarwal</b>				
	<b>At the beginning of the year</b>	10,821	0.80	10,821	0.80
	Purchase/ (Sale) from 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	(7,411)	(0.5484)		
	<b>At the end of the year</b>			3,410	0.25
7.	<b>Devendra Kumar Maliwal</b>				
	<b>At the beginning of the year</b>	10,000	0.74	10,000	0.74
	Purchase/ (Sale) from 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	496	0.03		
	<b>At the end of the year</b>			10,496	0.77
8.	<b>Pradeep Kumar Mittal</b>				
	<b>At the beginning of the year</b>	9,298	0.68	9,298	0.68
	There is no change during the financial year 2015-2016				
	<b>At the end of the year</b>			9,298	0.68
9.	<b>Bharat Jayantilal Patel</b>				
	<b>At the beginning of the year</b>	8,040	0.59	8,040	0.59
	There is no change during the financial year 2015-2016				
	<b>At the end of the year</b>			8,040	0.59

10.	<b>Anita Devi Mittal</b>				
	<b>At the beginning of the year</b>	7,598	0.56	7,598	0.56
	There is no change during the financial year 2015-2016				
	<b>At the end of the year</b>			7,598	0.5622
11.	<b>Om Prakash Agarwal</b>				
	<b>At the beginning of the year</b>	6,340	0.4691	6,340	0.4691
	Purchase/ (Sale) from 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	(1)			
	<b>At the end of the year</b>			6,339	0.4690

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Geeta Devi Agarwal, Director				
	At the beginning of the year	190421	14.09	190421	14.09
	Increase / Decrease	No Change			
	At the end of the year	190421	14.09	190421	14.09
2.	Kapil Agarwal, CFO				
	At the beginning of the year	135635	10.04	135635	10.04
	Increase / Decrease	No Change			
	At the end of the year	135635	10.04	135635	10.04
3.	Jagdish Prasad Agarwal, Chairman & Managing Director				
	At the beginning of the year	42336	3.13	42336	3.13
	Increase / Decrease	No Change			
	At the end of the year	42336	3.13	42336	3.13

Note: The Following director did not held any shares during the financial year 2015-16

- |                    |                    |
|--------------------|--------------------|
| 1. Sumeet Agarwal  | 3. Vinod Choudhary |
| 2. Jayanti Lal Oza | 4. Mangi Lal Dangi |

**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	199,455,329	143,855,290	0	343,310,619
ii) Interest due but not paid				
iii) Interest accrued but not due				


<b>Total (i+ii+iii)</b>	199,455,329	143,855,290	<b>0</b>	343,310,619
<b>Change in Indebtedness during the financial year</b>				
* Addition		95,884,880	0	95,884,880
* Reduction	(22,872,272)		0	(22,872,272)
<b>Net Change</b>	<b>(22,872,272)</b>	<b>95,884,880</b>	<b>0</b>	<b>73012608</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	176,583,057	239,740,170	0	416,323,227
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>176,583,057</b>	<b>239,740,170</b>	<b>0</b>	<b>416,323,227</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (in Lacs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. J. P. Agarwal Chairman & MD	Mr. Kapil Agarwal Executive Director & CFO	
1	Gross salary	2400000	2400000	4800000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--
5	Others, please specify	--	--	--
	<b>Total (A) Ceiling as per the Act</b>	<b>2400000</b>	<b>2400000</b>	<b>4800000</b>

### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	----	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	<b>Total (1)</b>					

2	<b>Other Non-Executive Directors</b>
	Fee for attending board committee meetings
	Commission
	Others, please specify
	<b>Total (2)</b>
	<b>Total (B)=(1+2)</b>
	<b>Total Managerial Remuneration</b>
	<b>Overall Ceiling as per the Act</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER /WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Miss. Khushbu Sethi Company Secretary		Total
1	Gross salary	--	2,64,000	--	2,64,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	others specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	<b>Total</b>	--	2,64,000	--	2,64,000

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

**Annexure - 5**
**Annual Report on Corporate Social Responsibility (CSR) Activities 2015-16**

- (1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs.  
Website: [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)
- (2) **Composition of the Corporate Social Responsibility Committee.**

Sr.No.	Name of Director	Category	Position
1	Mrs. Geeta Devi Agarwal	Non – Executive Director	Chairperson
2	Mr. Vinod Choudhary	Non – Executive Independent Director	Member
3	Mr. Sumeet Agarwal	Non – Executive Director	Member

- (3) **Average net profit of the company for last three financial years: Average Net Profit/ (Loss):**  
Rs. 807.36 Lacs
- (4) **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** Rs. 16.14 Lacs
- (5) **Previous year unutilised Balance:** 3.53 Lacs
- (6) **Additional Expenses Made:** 1.83 lacs
- (7) **Details of CSR spent during the financial year:**
  - (a) Total amount spent for the financial year: Rs. 21.50 Lacs
  - (b) Amount unspent, if any: N.A.
  - (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Project or Activity identified	Sector in Which the project is covered	Project or Programs Area	Amount Outlay Project or Programs	Amount Spent on Projects	Cumulative Expenditure up to the reporting period	Amount Spent Direct or Through implementing agency
1.	Providing food to BPL Patient	Providing mid-day meal through Patient CAMP	Udaipur, Rajasthan	10.32	10.32	10.32	Through implementing agency (Geetanjali medical college & hospital)
2.	Eradicating hunger, poverty and malnutrition	Providing mid-day meal through Patient CAMP	Rajasthan	11.18	11.18	21.50	-do-
<b>Grand Total</b>				<b>21.50</b>	<b>21.50</b>		

- (8) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-  
J. P. Agarwal  
Chairman & Managing Director  
DIN: 00386183

Sd/-  
Geeta Devi Agarwal  
Chairman CSR Committee  
DIN: 00386331

Place: Udaipur  
Date: 19.05.2016

**Annexure - 6**
**Conservation of energy, technology absorption and foreign exchange earnings and outgo**
**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</b>	<b>Power and Fuel Consumption</b>	<b>Current Year</b>	<b>Previous Year</b>
	1. Electricity		
	<b>(a) Purchased Units (Kwh)</b>	6838890	6951585
	Total Amount (Rs.)	47752838	44951762
	Rate per unit (Rs.)	6.98	6.47
	<b>(b) Own Generation</b>		
	Through Diesel Generators		
	Units (Kwh)	322220	337705
	Units per litre of Diesel Generators	2.9	2.91
	Cost per unit (Rs.)	17.07	19.99
	2. Coal	N/A	N/A
	3. Furnace Oil	N/A	N/A
	4. Other Internal Generation	N/A	N/A
<b>B</b>	<b>Consumption per unit of Production</b>		
	<b>Unit</b>	Slabs/Tiles	Slabs/Tiles
	Production	247847.42	247034
	Electricity/Sq. Mtr (Kwh)	28.89	29.51

**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>Particulars</b>	<b>Current Year 2015-2016</b>	<b>Previous Year 2014-2015</b>
F.O.B. Value of Export of Finished Goods	5221.44	5247.89
C.I.F. Value of Imports		
(a) Raw Materials (Consumables)	1022.64	1380.00
(b) Capital Goods	390.97	458.18
Expenses in Foreign Currency	29.70	9.22

For and on behalf the Board of Directors

Date: 19.05.2016  
Place: Udaipur

Sd/-  
**J. P. Agarwal**  
Chairman & Managing Director  
DIN: 00386183

## Corporate Governance Report

### 1. Philosophy on Corporate Governance:

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

Your Company believes in adopting and adhering to the best standards of Corporate Governance. Company's philosophy on Corporate Governance enshrines the goal of achieving the highest level of transparency, accountability and equity in all spheres of its operations.

Your Company is committed towards transparency in all its dealings and places high emphasis on business principles and believes the good Corporate Governance goes beyond working results and financial priority and is pre-requisite for the attainment of excellent performance.

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a code of Conduct for its Directors and Senior Management Personnel which includes Code of Conduct for Independent Director which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013. The code of conduct is available on the Company's website.

The Company is in compliance with the requirements stipulated Regulation 17 to 27 read with the Schedule V and clauses (b) to (i) of sub regulation (2) of regulation 46 of SEBI Listing Regulations as applicable with regard to Corporate Governance.

### 2. Composition of Board of Directors:

The Board of Directors has an optimum combination of Executive and Independent Directors. The composition of the Board and category of Directors during the financial year 2015-16 are as follows :

- i. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorship and Committee Chairmanship/ Membership held by them in other companies as on March 31, 2016 are given herein below. Other Directorship do not include directorship of private limited companies, foreign companies and companies under section 8 of the Act Chairmanships/ Membership of Board Committees shall only include Audit Committee and Stakeholders Relationship Committee.

Name of Director	Category	Number of board Meeting during the year 2015-16		Whether attended last AGM held on Sep30,2015	Number of Directorship in other Public Companies		Number of Committee positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Jagdish Prasad Agarwal, Chairman & Managing Director	-Executive Director Promoter	5	5	Yes	-	2	-	-
Mr. Kapil Agarwal Whole-time Director	Executive Director Promoter	5	5	No	-	2	-	-
Mrs. Geeta Devi Agarwal	Non-Independent, Non-Executive Promoter	5	5	Yes	-	1	-	-
Mr. Sumeet Agarwal	Non-Independent, Non-Executive	5	4	Yes	-	-	-	-
Mr. Vinod Choudhary	Independent, Non-Executive	5	3	Yes	-	1	-	-
Mr. Mangi Lal Dangi	Independent, Non-Executive	5	3	Yes	-	-	-	-
Mr. Sagarmal Agarwal	Independent, Non-Executive	5	5	Yes	-	-	-	-
Mr. Jayanti Lal Oza	Independent, Non-Executive	5	3	Yes	-	-	-	-

- ii. Five Board Meetings were held during the year and the gap between two meetings did not 120 days. The Dates, on which the said meetings were held, were:  
May 29, 2015; June 15, 2015; August 14, 2015; November 07, 2015 and February 12, 2016.  
The necessary Quorum was present for all the meetings.
- iii. The terms and Conditions of appointment of independent Directors are disclosed on the website of the Company.
- iv. During the Year one meeting of independent director were held on 12th February, 2016. The independent directors reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.
- v. There is no inter-se relationship between our Board members except Mrs. Geeta Devi Agarwal and Mr. Kapil Agarwal, who are spouse and son respectively of Mr. J. P. Agarwal, Chairman and Managing Director.
- vi. The details of familiarization programme of the independent Directors are available on the website of the company [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)
- vii. Details of equity shares of the Company held by the directors as on March 31, 2016 are given below:

Name	Category	Number of Equity Shares
Mr. Jagdish Prasad Agarwal	Non-Independent, Executive	42,336
Mr. Kapil Agarwal	Non-Independent, Executive	1,35,635
Mrs. Geeta Devi Agarwal	Non-Independent, Non-Executive	1,90,421

### **3. Committees of the Board**

The Board has four Committees Namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee.

#### **A. Audit Committee**

- i. The audit Committee of the Company is constituted in line with the provisions of Regulations 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013 and rules made thereunder
- ii. The terms of reference of the audit committee are broadly as under:
  - 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.
  - Recommendation of appointment, remuneration and terms of appointment of the auditors and the fixation of audit fees.
  - Approval of payment to Statutory Auditors for any other services rendered by them.
  - Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Approval and Disclosure of related party transactions.
  - Qualifications in the Draft Audit Report.
  - Reviewing with the management, the quarterly financial statements before submission to the board for approval.
  - Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
  - Review and monitor the auditor's independence and performance and effectiveness of audit process.
  - Approval or any subsequent modification of transactions of the Company with related

- parties.
- Scrutiny of inter-corporate loans and investments.
  - Valuation of undertakings or assets of the Company wherever it is necessary.
  - Evaluation of internal financial controls and risk management systems.
  - Review with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
  - 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.
  - Discussion with internal auditors of any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into 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.
  - Discussion 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.
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - To review the Whistle Blower mechanism.
  - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  - The Audit Committee shall review the information required as per SEBI Listing Regulations.
  - The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Director	Category	Position held in the Committee	Number of meetings during the financial year 2015-16	
			Held	Attended
Mr. S.M. Agarwal (Chairman)	Independent ,Non-Executive	Chairperson	4	4
Mr. Jaya nti Oza	Independent ,Non-Executive	Member	4	2
Mr. Sumeet Agarwal	Non-Independent ,Non-Executive	Member	4	4

- Four audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are as follows:  
May 29,2015; August 14,2015; November 07,2015 and February 12, 2016.  
The necessary quorum was present at all the meetings.

## B. Nomination and Remuneration Committee

- i. The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013 and rules made thereunder
- ii. The broad terms of reference of the nomination and remuneration committee are as under:
  - Recommend to the board the setup and composition of the Board and its committees, to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
  - Formulate criteria for evaluation of Independent Directors and the Board.
  - Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
  - To carry out evaluation of every Director's performance.
  - To recommend to the Board the appointment and removal of Directors and Senior Management.
  - To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
  - Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - To devise a policy on Board diversity.
  - To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
  - To perform such other functions as may be necessary or appropriate for the performance of its duties.
- iii. The Composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of Director	Category	Position held in the Committee	Number of meetings during the financial year 2015-16	
			Held	Attended
Mr. S.M. Agarwal (Chairman)	Independent ,Non-Executive	Chairperson	2	2
Mr. Jayanti Oza	Independent ,Non-Executive	Member	2	2
Mr. Sumeet Agarwal	Non-Independent ,Non-Executive	Member	2	1

Two nomination and remuneration committee meetings were held. The dates on which the said

meetings were held are as follows:  
June 15, 2015 and February 12, 2016.

- iv. The Company does not have any Employee Stock Option Scheme.
- v. Criteria for performance evaluation of Independent Directors and the Board  
As per the provisions of SEBI (LODR), Regulations, 2015, the Nomination and Remuneration Committee (the “Committee”) has laid down the evaluation criteria for performance evaluation of Independent Directors and the Board.

The Committee has established the processes for evaluation of performance of Independent Director and the Board. Once a year, the Board will conduct a self-evaluation.

Accordingly, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board. The performance evaluation of Independent Directors was also carried out by the entire board. The performance evaluation of the Chairman and Non-Independent Directors was also carried out by the Independent Directors.

- vi. Remuneration to Managerial Person, KMP and Senior Management:

- **Fixed pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

- **Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**vii. Remuneration to Non-Executive / Independent Director:**

- **Remuneration / Commission:**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

- **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- **Limit of Remuneration /Commission:**

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

- **Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

- Service Contracts, Notice period and severance Fee will be as per the Policy of the Company for the Employees.

Name of Director	Remuneration (Salary)	Sitting Fee	Share held as on 31 <sup>st</sup> march, 2016
Mr. J. P. Agarwal	24,00,000	NIL	42336
Mr. Kapil Agarwal	24,00,000	NIL	135635
Mrs. Geeta Devi Agarwal	NIL	NIL	190421
Mr. Jayanti Oza	NIL	NIL	NIL
Mr. Sumeet Agarwal	NIL	NIL	NIL
Mr. Mangi Lal Dangi	NIL	NIL	NIL
Mr. S. M. Agarwal	NIL	NIL	NIL
Mr. Vinod Choudhary	NIL	NIL	NIL

**C. Stakeholders Relationship Committee**

- i. The Stakeholders' relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with section 178 of the Companies Act, 2013 and rules made thereunder.
- ii. The broad term of reference of the stakeholders' relationship committee are as under:
  - Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of

- dividend/ notice/ annual reports, etc. and all other securities-holders related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- iii. Four meetings of the Stakeholders' relationship committee were held during the year on May 29, 2015; August 14, 2015; November 07, 2015 and February 12, 2016.
- iv. The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:

Name of Director	Category of Directors	Position held in the Committee	Number of meetings during the financial year 2015-16	
			Held	Attended
Mr. S.M. Agarwal	Independent ,Non-Executive	Chairperson	4	4
Mr. Jayanti Oza	Independent ,Non-Executive	Member	4	2
Mr. Sumeet Agarwal	Non-Executive Non-Independent	Member	4	4

#### **Details of Complaints Received and Resolved**

Particulars	No. of Complaints
Complaints pending as on 1st April, 2015	NIL
Complaints received during the period 1st April, 2015 to 31st March, 2016	16
Complaints disposed of during the period 1st April, 2015 to 31st March, 2016	16
Complaints outstanding as on 31st March, 2016	NIL

#### **Name and Designation of the Compliance Officer**

Name: Ms. Khushbu Sethi

Designation: Company Secretary

Address: Village Bedla, P.O. Box 119, Udaipur-313001

#### **D. Corporate Social Responsibility (“CSR”) Committee**

CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder

The broad terms of reference CSR committee is as follows:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in terms of Schedule VII of the Companies Act, 2013 or any amendment thereof.
- Recommend the amount of expenditure to be incurred on CSR activities and
- Monitor the CSR policy from time to time.

One Meeting of the CSR Committee was held on 03rd December, 2015 during the year

The composition of the CSR committee and details of the meeting attended by its members are given below:

Name of Director	Category of Directors	Position held in the Committee	Number of meetings during the financial year 2015-16	
			Held	Attended
Mrs. Geeta Devi Agarwal (chairman)	Non-Executive, Non Independent	Chairperson	1	1
Mr. Vinod Choudhary	Independent ,Non-Executive	Member	1	1
Mr. Sumeet Agarwal	Non-Executive Non-Independent	Member	1	1

#### E. Independent Directors' Meeting

As per the requirement of Regulation 25 of the SEBI Listing Regulations, the Independent Directors of the Company met on 12th February, 2016, inter alia to discuss:

- Review the performance of non - Independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non - Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Name of Director	Category of Directors	Position held in the Committee	Number of meetings during the financial year 2015-16	
			Held	Attended
Mr. S.M. Agarwal	Independent ,Non-Executive	Chairperson	1	1
Mr. Jayanti Oza	Independent ,Non-Executive	Member	1	1
Mr. Vinod Choudhary	Independent ,Non-Executive	Member	1	1
Mr. Mangi Lal Dangi	Independent ,Non-Executive	Member	1	0

#### 4. General Body Meetings

##### Particulars of last three Annual general meetings

AGM	Year ended 31st March,	Venue	Date	Time	No. of Special Resolutions Passed
24 <sup>th</sup>	2013	SurveyNo.13, N.H.48 , Kempalinganhalli, Nelamangala Taluka,Bangalore, Karnataka-562123	30/09/2013	10.00 a.m.	One
25 <sup>th</sup>	2014		30/09/2014	10.00 a.m.	One
26 <sup>th</sup>	2015		30/09/2015	10.00 a.m.	One

No resolution was passed during the Financial Year through postal ballot

#### 5. Disclosures

i. **Related Party Transactions**

All material transactions entered into with related parties as defined under the Act and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business. These have been approved by the audit committee. The board has approved a policy for related party transaction which has been uploaded on the Company's Website at [pacificindustriesltd.com](http://pacificindustriesltd.com) (WEB LINK)

The details of related party transactions are given in Annexure- 2 of Board's Report in Form AOC-2. None of the transaction with any of the related party was in conflict with the interest of the Company.

ii. There were no non-compliance, penalty imposed on the Company by Stock Exchange (s) or SEBI or any statutory authority on any matters related to capital market during the last three years.

iii. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI listing Regulations for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the company at [pacificindustriesltd.com](http://pacificindustriesltd.com)

iv. The Company has also adopted Policy on preservation of Documents.

v. **Reconciliation of Share capital audit:**

A qualified practising Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Securities Depository Services (India) Limited ("CDSL") and total issue and listed equity share capital. The audit report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

vi. **Code of Conduct**

The members of the board and senior management personnel have affirmed the compliance with code applicable to them during the year ended March 31, 2016. The annual report of the Company Contains a certificate by the CEO and Managing director in terms of SEBI listing Regulations on the compliance decorations received from Independent Directors, Non-Executive Directors and Senior Management.

**6. Means of Communication**

i. Annual report containing Audited Financial Statements, Board's Report, Management Discussion & Analysis (MD&A) Report, Auditor's Report and other information is circulated to members and others who are entitled to it.

- ii. The Quarterly, half yearly and Annual Financial Results are published in leading Local & National newspapers.
- iii. All important information relating to Company and its performance including the financial results and shareholding pattern are displayed on the Company's website [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)
- iv. The Company puts all the price sensitive information's into public domain by way of intimating the same to Stock Exchange i.e. BSE Ltd.
- v. The company has not made any presentation to Investors or to the Analyst during the Financial Year.

## **7. General Shareholder Information**

- i. Annual General Meeting for FY 2015-16
  - Date : 30th September, 2016
  - Time : 10 A.M.
  - Venue : Survey No.13, N.H.48,  
Kempalinganhalli, Nelamangala Taluka,  
Bangalore, Karnataka-562123

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the annexure to the notice of the AGM to be held on September 30, 2016.

- ii. Financial Year : 1st April, 2015 to 31st March, 2016
- iii. Date of Book Closure : As mentioned in the Notice of the AGM to be held on September 30, 2016
- iv. Dividend Date : NA
- v. Listing on Stock Exchange : Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400 001
- Stock Codes/Symbol : Scrip Code: 523483
- vi. Listing Fees : Listing fees as applicable has been paid.

vii. Custodian Fees to the Depository

Annual custodian fees for the financial year 2016-17 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

viii. Registrar & Share Transfer Agent:

Name and Address : LINK INTIME INDIA PVT LTD.  
C-13 Pannalal Silk Mills Compound,  
L B S Marg, Bhandup(West)  
Mumbai-400078  
Ph. 022-25963838

ix. Share Transfer System

Registrar and Transfer Agents (the 'RTA'), on receipt of transfer deed with respective share certificates, scrutinizes the same and verify signatures of transferors on the transfer deed with specimen signatures registered with the Company. A list of such transfers is prepared and checked thoroughly and a transfer register is prepared. The transfer register is placed before the Stakeholders Relationship Committee for approval. Share transfers are registered and share certificates are returned within the prescribed time provided the documents submitted are valid and complete in all respects.

x. Dematerialization of Shares:

The Company has set up requisite facilities for dematerialization of its Equity Shares in accordance with the provisions of Depository Act, 1996 with National Securities Depository Limited and Central Depository Services (India) Limited. The Company has entered into agreements with both of the Depositories. The Status as on 31st March, 2016 is as under:

Particulars	No. of Shares	% (Percentage)
Physical Segment	317097	23.46
<b><u>Demat Segment</u></b>		
NSDL & CDSL	1034403	76.54
<b>Total</b>	<b>1351500</b>	<b>100 %</b>

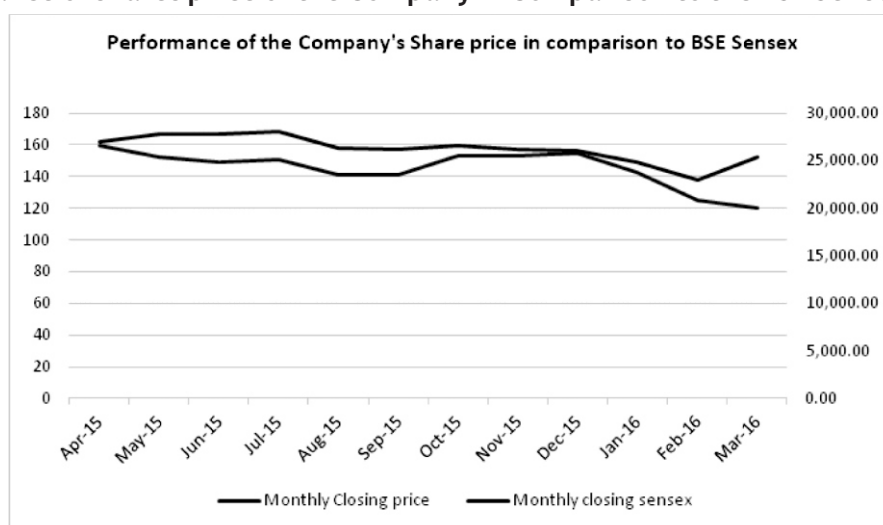
xi. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in 2015-16 on BSE :

Month	Share Price (In Rs.)		
	High	Low	Total number of equity shares traded
April, 2015	167	140.3	4916
May, 2015	173	145.5	8110

June,2015	239.9	143.7	200391
July,2015	159.8	145.2	16226
August,2015	182.4	130	12332
September,2015	164.5	125	7113
October,2015	170	140.2	9687
November,2015	177	142.6	6235
December,2015	168.2	141.1	6822
January,2016	162	140.5	6497
February,2016	145	111.3	6191
March,2016	124.7	106	18900

**xii. Performance of shares price of the Company in Comparison to the BSE Sensex**



**xiii. Distribution of Shareholding**

● Distribution of Shareholding as on March 31, 2016

Sr. No	No. of Equity Shares	No. of Shares	% of Shareholding	No. of Shareholders
1.	<b>1-500</b>	412254	30.5034	17713
2.	<b>501-1000</b>	42272	3.1278	56
3.	<b>1001-2000</b>	37832	2.7993	25
4.	<b>2001 -3000</b>	27516	2.0360	11
5.	<b>3001-4000</b>	23799	1.7609	7
6.	<b>4001-5000</b>	14073	1.0413	3
7.	<b>5001-10000</b>	90127	6.6687	11
8.	<b>10001 and above</b>	703627	52.0627	17
	<b>Total</b>	<b>1351500</b>	<b>100.00</b>	<b>17843</b>

● Category of Shareholders as on March 31, 2016

Particulars	No. of shares held	%
Promoters	5,95,202	44.05
FII's including Foreign Portfolio Investor	10	0.00
Corporate Bodies	84,310	6.24
Individuals	6,55,898	48.54
NRIs	9,148	0.67
Mutual Fund and UTI	4,490	0.33
Financial Institution/Banks	70	0.00
Clearing Members	2,372	0.17
<b>Total</b>	<b>13,51,500</b>	<b>100.00</b>

**xiv. Plant Locations**

The Company's plants are located at the following addresses:

- Unit 1-Survey No.13, N.H.48,Kempalinganhalli, Nelamangala Taluka,Bangalore, Karnataka562123
- Unit 2- Village Bedla, Udaipur-313001

**xv. Address for Correspondence**

The Company Secretary  
Pacific Industries Limited  
Village Bedla, Udaipur-313001  
Tel No. 0294-2440933, 2440388  
Fax: +91-294-2440780  
Email: pacificinvestor@rediffmail.com  
Website : pacificindustriesltd.com

**8. Risk Management**

The Company follows well - established risk assessment and minimization procedures which are periodically reviewed by the Board.

**9. Management Discussion and Analysis**

A management discussion and analysis report forms part of the Annual Report and includes discussion on various matters.

**10. Reconciliation of Share Capital Audit**

As stipulated by the Securities Exchange Board of India, a qualified Practicing Company Secretary has carried out the reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL.

**11. Compliance Certificate of CEO/CFO**

The Compliance Certificate on the financial statements for the financial year ended 31st March, 2016 is enclosed at the end of this report.

**12. Auditors' Report on Corporate Governance**

As required by Part E of Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations, 2015, the Auditors' certificate is enclosed at the end of this report.

**13. Familiarization programme for Independent Director**

The Company conducts the familiarization programme for Independent Director as required under regulation 25(7) of the SEBI (LODR) Regulations, 2015 and details are available on Company's website [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)

**14. Code for the Board of Directors and Senior Management Personnel**

The Company has laid down a code of conduct for the members of the board and senior management personnel of the Company.

The code of conduct has been posted on the Company's website [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)

The code of conduct has been circulated to all the members of the Board and Senior Management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2016. A declaration to this effect signed by Mr. Kapil Agrawal, Chairman Whole-time Director of the Company is appended at the end of this report.

**15. Code for the Independent Directors**

The Company has laid down a code of conduct for the Independent Directors of the Company and the same is available on the Company's [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)

**CEO/CFO Compliance Certification**

To,  
The Board of Directors,  
**Pacific Industries Limited**  
Survey No.13, Kempalinganhalli,  
Nelamangala Taluka,  
BANGALORE-562123  
(Karnataka)

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief :
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2015-2016 which are fraudulent, illegal or violative of the 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 internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that :
1. There are no significant changes in internal control over financial reporting during the year;
  2. There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. There are no instances of significant fraud of which they 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.

Sd/-  
**J. P. Agarwal**  
Chairman & Managing Director  
DIN: 00386183

Sd/-  
**Kapil Agarwal**  
Chief Financial Officer

Date: 19th May, 2016  
Place: Udaipur

**Declaration regarding compliance by board members and Senior Management Personnel with the Company's Code of Conduct**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has received from the Senior Management team of the Company and the Members of the Board, a declaration of compliance with the code of Conduct as applicable to the them in respect of the year ended March 31, 2016.

Place: Udaipur  
Date: 19.05.2016

Sd/-  
Jagdish Prasad Agarwal  
Chairman & Managing Director  
DIN: 00386183

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of Pacific Industries Limited

We have examined the compliance of conditions of Corporate Governance by Pacific Industries Ltd. for the financial year ended on March 31, 2016 as stipulated in SEBI (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulation.

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

**For A. Bafna & CO.**  
Chartered Accountants  
(Registration No.0036660C)

**Sd/-**  
CA Vivek Gupta  
Partner  
Membership No. 400543

**Date: 19.05.2016**  
**Place: Jaipur**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### ❖ **Industry Overview Of Indian Economy And Company Outlook**

#### **Global Granite Industry**

Granite industry is considered one of the oldest industries in the world; existing as far back as Ancient Egypt. Granite stones due to its amenability for taking mirror like polish, high compressive strength, longevity and aesthetics, finds applications in decoration in building and other places.

Being a product dependent upon availability of natural resources, production of Stone is concentrated among few countries. China, India, Brazil, Iran, Turkey and Italy altogether accounted for 70% of the global extraction of stones. World stone export market sized \$23 billion.

Around 75% of the stone is used in building material (Floors and paving 32.5%, External wall cladding 7.5% and internal wall cladding 12.5%, steps 3% and special works 19.5%), 6% in civil external uses, 16.5% in memorial art and 2.5% other uses.

Major competition for India as a granite exporter comes from China & Brazil. Some of the big concerns in the Natural stone industry are weaker demand of USA and Europe, sharp devaluation of currencies of some of the producing countries and increasing popularity of engineered stones.

#### **Indian Granite Industry**

Indian granite industry is going through a slowdown. As per the latest data from ministry of commerce, exports of natural stone out of India has declined by 9.63% in FY15 over FY14 to US Dollar 787.5 Million. India exports Granite in Crude or cut into blocks/slabs, Polished blocks and tiles of granite and other granite products. During the FY15 there has been decline in all the segments and downward trend continues.

India, even though has huge reserves of granite is losing market share to other competing countries like Brazil and China. Indian exporters are finding it difficult to procure raw material to satisfy demand of customers. Even China which is major importer of rough blocks from India, and due to slowdown in China, exports to China has declined.

All these forces have made the current situation in the industry very challenging and has forced the closure of many small units, in the period gone by. There is a need to make the mining industry more competitive and transparent, given the big export potential. The industry has made representations to commerce ministry to make the industry more competitive and give incentives for more processing of raw blocks to be done out of India.

#### **Company**

Pacific Industries Limited (PIL) is a 100% EOU whose main plant s are located at Village Bedla, Udaipur and, Kempalinganhalli, Bangalore. The promoters have been active in granite processing and trading for the last 27 years. Over 95% of the turnover comes from exports. The

company's major exports destinations are USA, Europe, Indonesia, Vietnam, Middle-east countries, etc. The Company is also importing the Granite from Italy.

The Company has been received the “Star Export House” Certification from Ministry of Commerce and Industry.

The Company has engineered a strong alliance with M/s. Breton Spa of Italy-“The World's largest manufacturers of granite machinery” and built a state of the art factory at Udaipur and Bangalore for the processing of Granite and Marble from its own quarries. PIL has organized all the trade and export services with utmost efficiency, the success of which is visible by a long list of highly satisfied and valued clients around the globe. The growth of our organization is based of flexibility and close personal relationships with our customers. Due to its timely delivery, best quality products, transparent dealings and ethical business practices, the company remained profitable even in such a challenging business environment.

❖ **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**

Though the industry is facing a very challenging business environment, we are still very optimistic about the business of the company. The core management team has been in the business for over 25 years and has seen many ups and down in the industry. In these tough times

the management aims to consolidate the business, reduce operating costs and do selective debottlenecking of operations. The new initiatives like the CUT-TO-SIZE line and new warehouse will further strengthen the competitive position of the company.

❖ **Internal Control**

An effective system of internal control is necessary for building, maintaining and improving shareholder confidence as well as enhances the overall quality of the enterprises. The Company has well-defined mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions considering the nature, size and complexity of its business. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable in a transparent manner.

The Company maintains adequate internal control systems that provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. Mr. Ravi Kumar Sharma, Chartered Accountants, acts as Internal Auditors of the Company. The Internal Auditors independently evaluate adequacy of internal controls and audit the majority of the transactions undertaken by the Company. The Audit Committee of the Board of Directors which comprises a majority of Independent Directors, inter alia, reviews the adequacy and effectiveness of the internal controls and monitors implementation of internal audit observations.

❖ **Segment Wise Reporting**

The company manufactures and deals in Marble and Granites and allied products. There is no reportable segment in the company.

❖ **CSR Activities**

Your Company believes that as a responsible corporate citizen, it must address the needs of underprivileged and committed to serving them. The Company is keen to fulfill its social responsibility by being actively involved in a variety of public services projects. We encourage collaboration with various NGOs to support in CSR activities at group level. Your Company has contributed a sum of Rs. 21.50 lacs to various social institutions in the field of mid-day meal, education, health. The main recipient have been (Geetanjali medical college & hospital).

❖ **Outlook**

The company is alert and in touch with the ground realities of the changing business environment and is confident of 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 overall business outlook for the company is promising with improvement in overall economic environment.

The company continues to examine the possibilities of expansion and shall make the necessary investments when attractive opportunities arise.

❖ **MATERIAL DEVELOPMENTS ON HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company aims to develop the potential of every individual associated with the Company as part of its business goals. The human resources strategy has enabled the Company attract, integrate, develop and retain the best talent to deliver business growth. We strengthened our talent pool by providing employees with growth and career enhancement opportunities. The company had 258 permanent Employees at the end of Financial Year 2015-16.

In line with the Human Resource Strategy, the Company has implemented numerous initiatives that will enable it to sustain competitiveness in the global marketplace. The focus is to attract and retain the best talent. Some of these initiatives are:

Some of these initiatives are:

- i) Performance-based incentive plan
- ii) Suggestion-based reward program
- iii) Succession planning through identification of second level of managers of all units, locations and functions
- iv) Identifying potential talent and offering growth opportunities within the organization
- v) Reward program for employees who have obtained qualification while working in the Company

❖ **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

Due to the challenges of the environment and the strategic drive to integrate and transform, the organization financial performance was become weak as compared to previous year.

The Turnover during the year 2015-16 was Rs. 5986.29 Lacs as compared to Rs. 5803.50 Lacs in the previous year. In view of the acute competition in the market the profitability has been slow down during the year 2015-16.

❖ **RISKS AND CONCERNS**

The current economic environment, in combination with significant growth ambitions of the Company, carries with it an evolving set of risks. Your Company recognizes that these risks need to be managed to protect customers, employees, shareholders and other stakeholders to achieve our business objectives. In line with this, your Company has put in place a detailed Risk Management Policy which identifies the various types of risks at all levels of the Company. Early risk identification along with appropriate measures has enabled the Company to mitigate all threats which may arise from time to time. Also, the possibility of occurrence of the risk event and the magnitude of their consequences on the organization is determined and used to prioritize risk management.

❖ **CAUTIONARY STATEMENT**

Statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions,

finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

**By Order of the Board**

Place: Udaipur  
Date: 19.05.2016

**Sd/-**  
**J. P. Agarwal**  
**Chairman & Managing Director**  
**DIN: 00386183**

## **Independent Auditor's Report**

To  
The Members of  
**PACIFIC INDUSTRIES LIMITED,**

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **Pacific Industries limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2016, 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 standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

**Basis for Qualified Opinion**

- A) 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 reconciliations/confirmation of the same may effects our disclosure.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. As required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, on the Internal Financial Control over Financial Reporting to the extent applicable, refer our separate report in Annexure II and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The effect of pending litigations are disclosed by way of Note 38 in the financial statement.
  - ii. The Company did not have any long term contract including derivatives contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Sd/-**  
**(Vivek Gupta)**  
**Partner**  
**M.No. 400543**

**Date: 19.05.2016**  
**Place: Jaipur**

## **Annexure I to the Independent Auditors' Report of Pacific Industries Limited**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i)
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the assets have been physically verified by the management during the year and there is a regular program 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) The title deeds of immovable properties are held in the name of the company except the land having cost of Rs.64.76 Lacs in Bangalore held in the name of past director of the company.
- (ii) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and discrepancies noticed on verification between physical stocks and the book records were not material.
- (iii) The Company has not granted loans to companies, firms Including Limited Liability partnership firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), hence clause (iii) (a), (b) & (c) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security,
- (v) The Company has not accepted any deposits from the Public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable
- (vi) According to the information & explanation given to us the company is not required to maintain cost accounts & records as prescribed by the Central Government under Section 148(1) of the Companies Act, 2013
- (vii)
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues to the extent applicable have been regularly deposited during the year by the Company with the appropriate authorities except for a few delays and the same are not in arrears as at 31 March 2016 for a period of more than 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, duty of Custom, duty of Excise, Value Added Tax or Cess which are not deposited on account of dispute except :

Particulars	Year	Amount of demand	Amount deposited against demand	Amount of demand to the extent not deposited (Rs.)	Forum where appeal is pending
Entry Tax demand paid under Protest, Bangalore	2010-11	840669	420335	420334	C.T.D Bangalore
Entry Tax demand paid under Protest, Bangalore	2011-12	679839	339920	339919	C.T.D Bangalore
Sales Tax demand paid under Protest, Bangalore	2010-11	2615214	1307606	1307608	C.T.D Bangalore
Sales Tax demand paid under Protest, Bangalore	2011-12	1773845	886923	886922	C.T.D Bangalore
Excise Demand, Udaipur	Norms 2007-08, 2010-11, 2011-12	11196664	5595984	5600680	Comm. Appeal, Jaipur
Excise Demand, Udaipur	2013-14	3610658	270799	3339859	Ass. Comm. CED, Udaipur
Excise Demand, Udaipur	2013-14	2255032	169128	2085904	C.T.D Bangalore

- (viii) The Company have not defaulted in repayment of dues to a financial institutions, banks or debenture holders during the year.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management during the year under review, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. To the best of our knowledge and belief and according to the Information and Explanation given to us, term loans availed by the company were prima facie applied by the company during the year for the purpose for which the loan were Obtained.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in

- accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon

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

**Sd/-**  
**(Vivek Gupta)**  
**Partner**  
**M.No. 400543**

**Date: 19 May 2016**  
**Place: Jaipur**

## **Annexure II to the Independent Auditors' Report of Pacific Industries Ltd.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the Standalone financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of Pacific Industries Limited (hereinafter referred to as “the Company”), which is a company incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-**  
**(Vivek Gupta)**  
**Partner**  
**M.No. 400543**

**Date: 19 May 2016**  
**Place: Jaipur**

**PACIFIC INDUSTRIES LIMITED**
**Regd. Office : Survey No.13, N.H.48,Kempalinganhalli,Nelamangala Taluk, Distt. Bangalore- 562123 (Karnataka)**
**CIN No.- L14101KA1989PLC062041**
**BALANCE SHEET AS ON 31.03.2016**

<b>PARTICULARS</b>	<b>NOTES</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	13,515,000	13,515,000
Reserves & Surplus	2	602,147,131	593,153,121
		<b>615,662,131</b>	<b>606,668,121</b>
<b>NON CURRENT LIABILITIES</b>			
Long-Term Borrowings	3	290,980,371	210,118,278
Long Term Provision	4	17,537,820	15,422,418
		<b>308,518,191</b>	<b>225,540,696</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	5	109,740,929	110,225,377
Trade Payable	6	129,011,617	143,762,332
Other Current Liabilities	7	56,337,868	85,115,741
Short Term Provision	8	8,942,131	14,343,526
		<b>304,032,545</b>	<b>353,446,976</b>
<b>TOTAL</b>		<b>1,228,212,867</b>	<b>1,185,655,793</b>
<b><u>ASSETS</u></b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	9		
Tangible Assets		304,734,323	267,120,863
Intangible Assets		6,237	11,307
Capital WIP		3,038,294	87,988,584
Non-Current Investments	10	174,371	263,882
Deferred Tax Assets (Net)	11	-	-
Long-Term loans and advances	12	15,386,364	14,976,337
Other Non Current Assets	13	12,280,010	13,386,459
		<b>335,619,599</b>	<b>383,747,432</b>
<b>CURRENT ASSETS</b>			
Inventories	14	558,782,345	537,338,513
Trade Receivable	15	234,591,560	162,740,795
Cash and Bank Balances	16	29,350,259	21,356,573
Short-term loans & advances	17	68,777,345	79,677,784
Other current assets	18	1,091,759	794,696
		<b>892,593,268</b>	<b>801,908,361</b>
<b>TOTAL</b>		<b>1,228,212,867</b>	<b>1,185,655,793</b>
Contingent Liabilities & Commitments	[38]		
Significant Accounting Policies and			
Notes on Financial Statements	[1-41]		

**AS PER AUDIT REPORT OF OUR EVEN DATE**
**For A. Bafna & Co.**  
**Chartered Accountants**  
**Firm Reg. No. 003660C**
**For and on behalf of the Board**  
**Pacific Industries Ltd.**
**Sd/-**  
**(Vivek Gupta)**  
**Partner**  
**M.No. 400543**
**Sd/-**  
**J.P. Agarwal**  
**Managing Director**  
**00386183**
**Sd/-**  
**Kapil Agarwal**  
**Director**  
**00386298**
**Place: Udaipur**  
**Date: 19.05.2016**
**Sd/-**  
**Khushbu Sethi**  
**Company Secretary**

**PACIFIC INDUSTRIES LIMITED**
**Regd. Office : Survey No.13, N.H.48,Kempalinganhalli,Nelamangala Taluk, Distt. Bangalore -562123 (Karnataka)**
**CIN No.- L14101KA1989PLC062041**
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2016**

<b>PARTICULARS</b>	<b>NOTES</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
<b><u>Income</u></b>			
Revenue from operations (gross)	19	609,986,963	587,736,929
LESS: Excise Duty		11,357,706	7,092,556
Revenue from operations (Net)		598,629,257	580,644,373
Other Income	20	73,320,640	112,348,669
<b>TOTAL REVENUE (i)</b>		<b>671,949,897</b>	<b>692,993,042</b>
<b><u>Expenses</u></b>			
Cost of materials consumed	21	205,360,801	283,733,204
Purchase of Stock in trade	22	33,496,597	24,370,258
(Increase)/Decrease in inventories	23	(759,365)	(128,265,223)
Manufacturing expenses	24	190,644,625	237,089,166
Employee Benefit expenses	25	72,495,411	71,167,541
Finance Cost	26	28,979,761	22,569,789
Other expenses	27	70,486,795	73,502,359
<b>TOTAL EXPENSES (ii)</b>		<b>600,704,625</b>	<b>584,167,095</b>
<b>Earnings before Tax and Depreciation</b>		<b>71,245,272</b>	<b>108,825,947</b>
Depreciation/Amortisation expenses	9	55,041,843	63,901,751
Prior period expenses		630,419	963,235
Pre operative expenses written off		4,468,587	4,411,043
<b>Earning Before Tax</b>		<b>11,104,423</b>	<b>39,549,918</b>
<b><u>Tax expenses of continuing operations</u></b>			
Current Tax		2,110,413	8,096,363
MAT Credit Recognized		-	-
Payment of earlier year tax demand		-	-
Profit / (loss) for the period from continuing operations		8,994,010	31,453,555
<b>Profit / (loss) for the period (Profit After Tax)</b>		<b>8,994,010</b>	<b>31,453,555</b>
<b>Basic &amp; Diluted Earning Per Share</b>	<b>[33]</b>	<b>6.65</b>	<b>23.27</b>
Significant Accounting Policies and			
Notes on Financial Statements	[1-41]		

**AS PER OUR AUDIT REPORT OF EVEN DATE**
**For A. Bafna & Co.**
**Chartered Accountants**
**Firm Reg. No. 003660C**
**Sd/-**  
**(Vivek Gupta)**  
**Partner**  
**M.No. 400543**
**Place: Udaipur**  
**Date: 29.05.2015**
**For and on behalf of the Board**
**Pacific Industries Ltd.**
**Sd/-**  
**J.P. Agarwal**  
**Managing Director**  
**00386183**
**Sd/-**  
**Kapil Agarwal**  
**Director**  
**00386298**
**Sd/-**  
**Khushbu Sethi**  
**Company Secretary**

**PACIFIC INDUSTRIES LIMITED**
**Regd. Office : Survey No.13, N.H.48,Kempalinganhalli,Nelamangala Taluk, Distt. Bangalore-562123 (Karnataka)**
**CIN No.- L14101KA1989PLC062041**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2016**

	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
<b><u>Cash Flow From Operating Activities</u></b>		
Profit Before Tax	11,104,423	39,549,918
<b>Non-Cash Adjustment To Reconcile Profit Before Tax To Net Cash Flows :</b>		
Depreciation/Amortizationon Continuing Operations	55,862,536	64,309,265
Interest Expense	27,050,380	20,583,912
Profit on Sale of Car	9,300	(104,285)
Provision for Gratuity	2,115,402	4,473,374
Interest Income	(1,925,319)	(2,262,377)
<b>Operating Profit Before Working Capital Changes</b>	<b>94,216,722</b>	<b>126,549,807</b>
<b>Movements In Working Capital :</b>		
Increase/(Decrease) In Trade Payables	(14,750,715)	(59,347,825)
Increase/(Decrease) In Short Term Provisions	584,559	2,152,359
Increase/(Decrease) In Other Current Liabilities	(28,777,873)	(72,447,869)
Decrease/(Increase) In Trade Receivables	(71,850,765)	26,003,513
Decrease/(Increase) In Inventories	(21,443,832)	(117,472,307)
Decrease/(Increase) In Short-Term Loans And Advances	10,900,439	82,975,164
Decrease/(Increase) In Other Current Assets	(297,063)	13,171
<b>Cash Generated/(Used In) Operations</b>	<b>(31,418,528)</b>	<b>(11,573,987)</b>
Direct Taxes Paid	8,096,357	19,063,776
<b>Net Cash Flow From/(Used In) Operating Activities (A)</b>	<b>(39,514,885)</b>	<b>(30,637,763)</b>
<b><u>Cash Flow From Investing Activities</u></b>		
Purchase of Fixed Assets Including Intangible Assets,CWIP	(9,539,430)	(111,867,331)
Decrease/(Increase) In Long-Term Loans And Advances	(410,027)	(7,517,739)
Decrease/(Increase) In Other Non-Current Assets	1,106,449	3,023,329
Proceeds From Sale Of Fixed Assets	1,009,484	1,581,175
Proceeds From Sale Of Investments	89,511	45,508
Increase in Fixed Deposits	(810,451)	(8,722,821)
Interest Received	1,925,319	2,262,377
<b>Net Cash Flow From/(Used In) Investing Activities (B)</b>	<b>(6,629,145)</b>	<b>(121,195,502)</b>
<b><u>Cash Flow From Financing Activities</u></b>		
Proceeds from Issuance of Share Capital	-	-
(Decrease)/Increase In Long Term Borrowings	80,862,093	114,153,283
(Decrease)/Increase In Short Term Borrowings	(484,448)	53,969,915
(Decrease)/Increase In Other Non Current Liabilities	-	-
Interest Paid	(27,050,380)	(20,583,912)
<b>Net Cash Flow From/(Used In) Financing Activities (C)</b>	<b>53,327,265</b>	<b>147,539,286</b>
Net increase/(decrease) in cash and cash equivalents ( A+B+C )	7,183,235	(4,293,979)
Cash and Cash Equivalents at the beginning of the year	10,178,223	14,472,202
<b>Cash and Cash Equivalents at the close of the year</b>	<b>17,361,458</b>	<b>10,178,223</b>

**As per our report of even date**
**For A. Bafna & Company**
**Chartered Accountants**
**(FRN 003660C)**
**(Vivek Gupta)**
**Partner**
**M.No. 400543**
**Date: 19.05.2016**
**Place: Udaipur**

**Sd/-**  
**J.P. Agarwal**  
**Managing Director**  
**DIN: 00386183**

**Sd/-**  
**Kapil Agarwal**  
**Director**  
**DIN: 00386298**

**Sd/-**  
**Khushbu Sethi**  
**Company Secretary**

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2016**

	<u>31.03.2016</u>	<u>31.03.2015</u>
<b><u>NOTE 1 - SHARE CAPITAL</u></b>		
<b><u>AUTHORISED SHARE CAPITAL</u></b>		
25000000 Equity Shares @ Rs. 10 each	250,000,000	250,000,000
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u></b>		
1351500 Equity Shares of Rs. 10 each	13,515,000	13,515,000
	<b>13,515,000</b>	<b>13,515,000</b>

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

<b><u>Equity Shares</u></b>	<u>31.03.2016</u>	<u>31.03.2015</u>
At the beginning of the Period	1,351,500	1,351,500
Add:- Issued during the Period	-	-
Outstanding at the end of the period	<b>1,351,500</b>	<b>1,351,500</b>

**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 31.03.2016**

S.No.	Name Of Shareholder	<u>31.03.2016</u>		<u>31.03.2015</u>	
		<u>No. of Shares</u>	<u>% of Shareholding</u>	<u>No. of Shares</u>	<u>% of Shareholding</u>
1	GEETA DEVI AGARWAL	190,421	14.09%	190,421	14.09%
2	KAPIL AGARWAL	135,635	10.04%	135,635	10.04%

<b><u>NOTE 2 - RESERVE AND SURPLUS</u></b>			<u>31.03.2016</u>	<u>31.03.2015</u>
<b><u>SURPLUS/PROFIT &amp; LOSS ACCOUNT</u></b>				
Balance as per last financial statements			593,153,121	562,004,534
Add: Profit for the year			8,994,010	31,453,556
Less: Adjustment for depreciation as per Schedule II of Companies Act, 2013			-	304,966
<b>Net Surplus in the statement of Profit &amp; Loss</b>			<b>602,147,131</b>	<b>593,153,121</b>
<b>Total Reserve and Surplus</b>			<b>602,147,131</b>	<b>593,153,121</b>

**NOTE 3 - LONG TERM BORROWINGS**
**A) SECURED LOANS**
Vehicle Loan

HDFC Bank	7,467,094	6,877,596
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Term Loan

HDFC Bank	48,921,107	59,385,392
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<b>Net Amount</b>	<b>56,388,201</b>	<b>66,262,988</b>
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Amount Disclosed under the head "Other Current Liabilities	10,453,927	22,966,964
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**Note 3.1**

(a) Loans from HDFC Bank for Vehicles carries interest @ 10%. The loans are repayable in 36 monthly installments and the loan are secured by hypothecation of respective assets

(b) Term loan from HDFC bank carries Interest @ Base Rate+2.2% (Current Base rate is 9.85 %) is secured by mortgage on property situated at village Bedla, District Udaipur and with respective Plant & Machinery and personal guarantee of some of directors of the company and the Loan is repayable in 66 monthly installments.

**B) LOAN AND ADVANCES FROM SHARE HOLDERS,  
DIRECTORS, ASSOCIATES AND OTHER CORPORATE BORROWINGS**
**LOANS-UNSECURED**

	<u>31.03.2016</u>	<u>31.03.2015</u>
(i) From Related Parties		
(a) From Directors	84,285,293	-
(b) From Others	-	61,592,757
(ii) From Other than Related Parties		
(a) From Companies	148,079,290	80,034,946

Securities Deposits from Customers	2,227,587	2,227,587
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<b>TOTAL LONG TERM BORROWINGS</b>	<b>290,980,371</b>	<b>210,118,278</b>
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**NOTE 4 - Long Term Provisions**

	<u>31.03.2016</u>	<u>31.03.2015</u>
<u>Provision for employee benefits</u>		
Provision for Gratuity	17,537,820	15,422,418
	<b>17,537,820</b>	<b>15,422,418</b>

**NOTE 5 - SHORT TERM BORROWINGS**
Working Capital Loan

	<u>31.03.2016</u>	<u>31.03.2015</u>
Pre-Shipment Credit in Foreign Currency from HDFC Bank	106,779,495	110,225,377
Buyer Credit	2,961,434	-
	<b>109,740,929</b>	<b>110,225,377</b>

**Note 5.1**

The above loan from HDFC Bank which carries Interest @ LIBOR+350 bps is secured by way of Hypothecation of Inventory i.e. Raw Materials, Stock in Process, Finished Goods, Stores & Spares and Book Debts, bill whether documentary or clean, outstanding invoices, receivables, both present and future, the facility is subject to annual renewal and it also carries an unconditional and irrevocable personal guarantees of some of the directors and property holders.

	<u>31.03.2016</u>	<u>31.03.2015</u>
<b>NOTE 6 - TRADE PAYABLES</b>		
Sundry Creditors		
For Material	92,878,782	105,572,731
For Expenses	13,705,166	18,016,154
For Others	22,427,669	20,173,447
<b>TOTAL TRADE PAYABLES</b>	<b>129,011,617</b>	<b>143,762,332</b>

**Note 6.1**

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 reliably 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 6.2**

Sundry creditors for material includes Nil (Previous year Rs 6486984/-) from related parties and Sundry Creditors for others includes Rs.19584655/- (Previous year Rs. 17362801/-) from related parties.

<b>NOTE 7 - OTHER CURRENT LIABILITIES</b>	<u>31.03.2016</u>	<u>31.03.2015</u>
Current maturities of long term borrowings & Hire Purchase Loans	10,453,927	22,966,964
Interest accrued but not due on borrowings	892,383	931,460
Payable for Capital Assets	-	6,274,752
Other liabilities	8,079,542	3,676,724
Security Deposits	1,117,287	71,542
Statutory Dues	973,251	2,596,774
Advances from Customers	32,184,542	39,737,050
Outstanding Liabilities	2,636,936	8,860,475
	<b>56,337,868</b>	<b>85,115,741</b>

**NOTE 8 - SHORT TERM PROVISIONS**

Provision for employee benefits		
Bonus & Ex-gratia	3,705,859	3,401,998
Leave Encashment	2,837,436	2,556,738
Provision for Income Tax	2,398,846	8,384,790
	<b>8,942,131</b>	<b>14,343,526</b>

**NOTE 10- NON CURRENT INVESTMENTS**

Non trade	<u><b>31.03.2016</b></u>	<u><b>31.03.2015</b></u>
Investment in Corporate Bodies		
100 Equity Shares of Narmada Chematur Petro Ltd. of Rs. 10/- each Fully Paid-up	949	2,000
Less:Provision for Dimution in value of investment	(949)	(1,051)
	-	949
6100 Equity shares of Sattelite Engg. Ltd. of Rs. 10/- each Fully Paid-up	25,681	122,000
Less:Provision for Dimution in value of investment	(610)	(96,319)
	25,071	25,681
500 Equity Shares of Jaicrop Limited of Rs. 10/- each Fully Paid-up	28,050	55,000
Less:Provision for Dimution in value of investment	(28,050)	(26,950)
	-	28,050
12200 Equity Shares of Uni Royal Textile Limited of Rs. 10/- each Fully Paid-up	59,902	122,000
Less:Provision for Dimution in value of investment	(59,902)	(62,098)
	-	59,902
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 Immunologicals Biologicals Corporation Limited of Rs. 10/- each Fully Paid-up	24,000	24,000
120 Equity Shares of Bajaj Finance Ltd. of Rs. 10/- each Fully Paid-up	39,000	39,000
<b>Total Quoted Cost (A)</b>	<b>133,971</b>	<b>223,482</b>
<b>MARKET VALUE OF QUOTED INVESTMENTS</b>	<b>588,251</b>	<b>1,246,252</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>Aggregate Amount of Total Investment (A+B)</b>	<b>174,371</b>	<b>263,882</b>

Total Provision For Dimunition In Value of Investments	(89,511)	(186,418)
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	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
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**NOTE 11- Deferred Tax Assets (Net)**

NIL	NIL
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**Note 11.1** The company has substantial amount of brought forward unrecognized MAT credit of Rs. 395.94 Lacs 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 P&L account of the company. MAT credit is not recognized as a measure of prudence.

**NOTE12 - LONG TERM LOAN AND ADVANCES**

Unsecured, considered Good	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
A) Security Deposits - Unsecured considered good	15,386,364	14,976,337
	<b>15,386,364</b>	<b>14,976,337</b>

**NOTE 13 - OTHER NON-CURRENT ASSET**

Pre- operative expenses	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Mining Development Expencess	8,681,014	13,386,459
	3,598,996	
	<b>12,280,010</b>	<b>13,386,459</b>

**NOTE 14 - INVENTORIES**

(As taken ,valued & certified by the management)

A) Raw Material	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
B) Work In Process	161,770,302	153,457,205
C) Finished Goods	30,563,207	28,398,724
E) Consumables, Stores & Spares	307,463,527	308,709,218
F) Scrap	50,123,684	37,752,314
	8,861,625	9,021,052
	<b>558,782,345</b>	<b>537,338,513</b>

**NOTE 14.1 - PARTICULARS OF INVENTORY**

Particulars	Closing Inventory	Opening Inventory
Manufactured Goods		
Granite Slabs		
Polished	300,385,883	303,476,190

Cut To Size	1,329,070	1,329,070
Blocks	5,543,924	3,699,308
Marble Slabs		
Natural Sandstone		
Polished	204,650	204,650
<b>Total</b>	<b>307,463,527</b>	<b>308,709,218</b>
WIP	Closing	Opening
	WIP	WIP
Granite Slabs	30,563,207	28,398,724
<b>Total</b>	<b>30,563,207</b>	<b>28,398,724</b>
	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>

**NOTE 15 - TRADE RECEIVABLES**
*Unsecured, Considered Good*

A) Trade Receivables Outstanding for more than six months	84,015,795	89,193,289
B) Trade Receivables (Others)	150,575,765	73,547,506
	<b>234,591,560</b>	<b>162,740,795</b>

Note 15.1 All Trade Receivables are likely to be realized within twelve months from the date of Balance Sheet.

Note 15.2 Trade Receivables of Rs. NIL/- (previous year Rs. 1101607/-) are to be realized from related parties which have been included in Trade Receivables (Others)

NOTE 16 - Cash & Bank Balances	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
A) Cash & Cash Equivalents		
Cash On Hand	5,526,752	1,978,551
Balances with Banks		
- Current Account	11,834,706	8,199,672
B) Other Bank Balances (More Than 3 Months)		
FDRs with Bank	11,988,801	11,178,350
	<b>29,350,259</b>	<b>21,356,573</b>

Note : 16.1 FDR's includes Deposits which are pledged against BG/LC Rs. 16,52,335/- (Previous Year Rs. 15,30,610/-)

Note : 16.2 FDR's includes Deposits which are pledged against BG/LC Rs. 9647740/- (Previous Year Rs. 96,47,740/-)

NOTE 17 - SHORT TERM LOAN AND ADVANCES	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
UNSECURED, CONSIDERED GOOD		
Advances Recoverable in Cash or Kind		
Cenvat & Input Tax Credit	15,333,383	18,161,374
Advances To Vendors	37,793,768	22,431,234
Advances To Others	6,804,127	12,456,491
Advances Against expense	942,308	7,841,918
TDS/TCS Receivable	1,030,229	808,191
Advance Income Tax	600,000	8,000,000
Service Tax Receivable	91,245	2,631,555
Security Deposits, consider good (Current Portion)	6,182,285	7,347,021
	<b>68,777,345</b>	<b>79,677,784</b>

Note : 17.1 Advances To Others includes Rs. 34,45,501/- (Previous Year Rs.3,23,72,367/- ) with Related Parties.

NOTE 18- OTHER CURRENT ASSETS	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Prepaid expenses	591,520	462,281
Accrued Interest	381,608	332,415
Investment in shares	118,631	-
	<b>1,091,759</b>	<b>794,696</b>

NOTE 19 - REVENUE FROM OPERATIONS	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Sale of Product		
Granite	609,107,969	579,966,586
Other operating revenue		
Scrape Sale	878,994	-
Sales of FMS License	-	7,476,309
Export Incentive		294,034
Revenue from operations (gross)	609,986,963	587,736,929
LESS: Excise Duty	11,357,706	7,092,556
Revenue from operations (Net)	<b>598,629,257</b>	<b>580,644,373</b>

NOTE 20 - OTHER INCOME	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Interest Income	1,925,319	2,262,377
Profit on Sales of Assets	9,300	104,285
Exchange Rate Fluctuation	7,821,672	10,707,266
Export Incentives (Duty Drawback)	130,820	-
Other Non-Operating Income (Net of Expenses)		
CST Refund	338,164	394,287
Dividend Received	540	-
Insurance Claim Received	355,360	88,993

Misc. Income	46,929,700	73,451
Misc. Balances Written-Off	11,631,883	97,780,227
Service tax refund	174,276	342,873
Compensation	3,735,520	175,224
Discount Received	109,476	177,943
Duty Drawback Income (DEPB Income)	46,404	241,743
Profit on Sales of shares	112,206	-
	<b>73,320,640</b>	<b>112,348,669</b>

Note 20.1 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.

NOTE 21 - COST OF RAW MATERIALS CONSUMED	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Opening Stock	153,457,205	164,241,324
Add: Purchases Less Returns	213,673,898	272,949,085
Less: Closing Stock	161,770,302	153,457,205
	<b>205,360,801</b>	<b>283,733,204</b>

NOTE 21.1 - PARTICULARS OF RAW MATERIALS CONSUMED	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Granite Block	204,592,669	283,733,204
Total	<b>204,592,669</b>	<b>283,733,204</b>

NOTE 22 - PURCHASE OF STOCK IN TRADE	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Slabs Trading Purchase	33,491,797	24,360,378
Finishing and Block Dressing Expense	4,800	9,880
	<b>33,496,597</b>	<b>24,370,258</b>

NOTE 22.1 - PARTICULARS OF TRADING PURCHASES	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Granite	33,496,597	24,370,258
Total	<b>33,496,597</b>	<b>24,370,258</b>

NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS , WIP	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Opening Stock		
Work in Process	28,398,724	26,360,605
Finished Goods	308,709,218	182,730,629
Scraps	9,021,052	8,772,537
	346,128,994	217,863,771
Less : Closing Stock		
Work in Process	30,563,207	28,398,724
Finished Goods	307,463,527	308,709,218

Scraps	8,861,625	9,021,052
	346,888,359	346,128,994
(Increase)/Decrease	<b>(759,365)</b>	<b>(128,265,223)</b>

<b>NOTE 24 - MANUFACTURING EXPENSES</b>	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Consumption of Stores, Spares & Consumables	135,673,056	183,846,678
Blade Brazing Expenses	-	31,300
Power & Fuel Expenses	47,752,838	44,951,762
Entry Tax	918,183	1,096,268
Factory Expenses	1,942,053	2,570,295
Freight Charges	299,631	311,536
Royalty Expenses	225,698	134,325
Slurry & Trans. Expenses	2,959,456	3,094,996
Repairs & Maintenance	-	-
- Plant & Machineries	856,531	1,050,646
- Building	17,179	1,360
	<b>190,644,625</b>	<b>237,089,166</b>

<b>NOTE 25 - EMPLOYEE BENEFITS EXPENSES</b>	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Factory Wages & Allowances	25,279,106	22,265,455
Salary & Allowances	24,186,788	26,781,489
Director's Remuneration	4,800,000	4,800,000
Staff & Labour Welfare Expenses	4,853,112	5,341,363
Contribution to PF, ESI, Gratuity Fund etc.	13,376,405	11,979,234
	<b>72,495,411</b>	<b>71,167,541</b>

NOTE 25.1 Disclosure in term of AS-15 are as under:-

Defined contribution plan

Contribution to defined contribution plan recognised as expenses for the year 2015-16 are as under

Employer's contribution to Provident Fund	4,850,901	4,383,241
Total Contribution	<b>4,850,901</b>	<b>4,383,241</b>

Defined benefit plan

The Employees Gratuity Scheme is a defined benefit Plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method is as under.

Gratuity Liability	
<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>

Expenses recognised in the Statement of Profit & Loss for the year ended

Current Service Cost	1,319,441	1,153,702
Interest on obligation	1,202,949	-
Expected return on plan assets	-	-
Past Service Cost	-	-
Net Actuarial(Gains)/Losses	178,395	58,070
<b>Total expenses</b>	<b>2,700,785</b>	<b>1,211,772</b>
Net Asset/(Liability) recognised in the Balance Sheet as at 31.03.2016		
Present value of Defined Benefit Obligation	17,537,820	15,422,418
Fair value of plan assets	-	-
Funded status[Surplus/(Deficit)]	(17,537,820)	(15,422,418)
<b>Net asset/(Liability)</b>	<b>(17,537,820)</b>	<b>(15,422,418)</b>
Change in obligation during the year ended		
Present value of Defined Benefit Obligation at beginning of the year	15,422,418	14,210,646
Current Service Cost	1,319,441	1,153,702
Interest Cost	1,202,949	-
Plan amendment cost	-	-
Actuarial(Gains)/Losses	178,395	58,070
Benefits Payments	(585,383)	-
Present value of Defined Benefit Obligation at the end of the year.	17,537,820	15,422,418
Change in Assets during the year ended		
Plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions by Employer	-	-
Actual benefits paid	-	-
Actuarial Gains/(Losses)	-	-
Plan assets at the end of the year	-	-
Actuarial Assumptions:		
Discount Rate	7.90%	7.80%
Expected rate of return on plan assets	N.A.	N.A.
Mortality		
Turnover rate :		
Staff	10% of all ages	10% of all ages
Worker	2% of all ages	2% of all ages
salary escalator	6.00%	6.00%
Maximum limit	10.00 lacs	10.00 lacs
NOTE 26 - FINANCE COSTS		
Interest On Vehicle loan	<u>31.03.2016</u> 956,405	<u>31.03.2015</u> 1,287,499

Interest On Machinery Loan	7,854,202	8,612,844
Interest On Unsecured Loan	15,342,842	8,482,097
Interest On Income Tax	-	121,131
Interest On PCFC	2,896,931	1,912,532
Interest On TDS	115,555	167,809
Bank Charges	1,813,826	1,985,877
	<b>28,979,761</b>	<b>22,569,789</b>
 NOTE 27 - OTHER EXPENSES	 <b>31.03.2016</b>	 <b>31.03.2015</b>
A) ADMINISTRATIVE EXPENSES		
AGM Expenses	70,522	-
Advertisement exp	74,600	20,521
Auditor's Remuneration	286,250	280,900
Auditor's Expenses & Reimbursement	277,955	274,180
Boarding & Lodging Exp	548,587	456,058
Books & Periodicals	26,880	15,647
Business & Guest Expenses	340,702	1,474,675
Computer Exp.	173,606	156,070
Mining development exp w/off	419,028	-
Conveyance Expense	745,981	671,244
Custody Charges	13,502	25,519
Dead Rent (Mines)	118,200	-
Deduction on CST Refund	268,830	779,489
Deduction on VAT Refund	21,941	40,539
Deduction on Service Tax - Export Refund	33,125	-
Penalty	388,678	1,058,751
Demand	349,654	-
Director's Travelling Expenses	4,403,467	5,014,805
Diwali Expenses	195,759	287,487
Donation	31,600	241,803
Foreign Exchange Fluctuation	6,727,636	2,267,383
Fees, Subscription & Membership	1,350,303	750,592
Festival & Pooja Expenses	343,819	339,305
CSR expenses	2,135,877	1,372,508
Garden Maintenance	19,896	56,589
Guest House Expenses	198,632	20,000
Insurance Expenses	974,078	749,845
Internet Expenses	53,487	67,381
Legal Expenses	428,314	60,053
Listing Fees	224,720	117,610
Light & Water	8,074	4,536

Medical Expenses	36,361	62,852
Mines Expenses	32,250	-
Miscellaneous Exp	130,857	913,743
Office Expenses	525,102	614,599
Postage & Courier	1,444,995	1,137,234
Professional Charges	864,917	938,709
Provision for Diminution of Investment	89,511	45,508
Printing & Stationery	1,043,958	789,019
Rates & Taxes	66,353	38,520
Recruitment & Training	14,911	24,082
Income tax expenses	35,160	140,636
Sponser Expenses	-	100,000
Telephone Expenses	1,746,083	1,706,284
Travelling Expenses	2,307,852	2,442,096
Typing & Photocopy Expenses	29,047	30,747
Vehicle Exp - Repairs & Maintenance	4,109,382	3,688,721
Repair & Maintenance Others	133,737	76,230
Share Transfer Expense	11,236	20,935
Security Service Charges	2,076,256	2,773,802
Xerox M/C Hiring Charges	55,379	55,203
Loss on Sale of assets	-	543,533
	<b>36,007,050</b>	<b>32,745,943</b>
<b>B) SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement Expenses	128,259	418,350
Commission & Brokerage	-	584,720
Discount on Sales	1,559,145	1,729,405
Exhibition Expenses	2,970,021	1,388,540
Freight & Forwarding on Sales	26,350,325	30,771,014
Freight & Forwarding - TR	2,843,563	4,754,549
Incentive On Block Marketing	-	178,076
Insurance - Marine	286,080	595,675
Analysis and testing expense	21,070	15,066
Loading Expenses	-	18,510
Packing - Trading	-	29,000
Sales Promotion Expenses	487,937	59,608
Shifting expenses	-	213,904
Royalty Expenses on Sales	28,986	-
Service tax expenses	(195,641)	-
	34,479,745	40,756,417
<b>TOTAL</b>	<b>70,486,795</b>	<b>73,502,360</b>

**NOTE 28 - Value of Imported & Indigenous Material**

	<u>31.03.2016</u>		<u>31.03.2015</u>	
	<u>Amount</u>	<u>% of Consumption</u>	<u>Amount</u>	<u>% of Consumption</u>
Raw Materials				
Imported	27,432,707	13.36	53,793,339	18.96
Indigenous	177,928,094	86.64	229,939,865	81.04
<b>Total</b>	<b>205,360,801</b>	<b>100.00</b>	<b>283,733,204</b>	<b>100.00</b>
Stores, Spares & Consumables				
Imported	109,940,808	62.35	114,078,216	62.05
Indigenous	66,400,514	37.65	69,768,462	37.95
<b>Total</b>	<b>176,341,321</b>	<b>100.00</b>	<b>183,846,678</b>	<b>100.00</b>

**NOTE 29 - Value of Imports on CIF Basis in Respect of :**

	<u>31.03.2016</u>	<u>31.03.2015</u>
(A) Raw Materials	27,018,627	32,828,337
(B) Stores, Spares & Consumables		
Steel Blade	18,350,763	22,616,444
Steel Grit	27,204,436	35,917,251
Polishing Stone	10,770,917	3,320,846
Imported Store & Spares	5,508,961	3,941,749
Others	13,410,761	39,377,060
(C) Capital Goods	39,097,897	45,818,282
<b>Total</b>	<b>141,362,362</b>	<b>183,819,969</b>

**NOTE 30 - Particulars of Payment To Auditors**

	<u>31.03.2016</u>	<u>31.03.2015</u>
Audit Fee ( Including Service Tax)	241,250	230,338
Limited review	45,000	50,562
Reimbursement of Expenses	277,955	274,180
	<b>564,205</b>	<b>555,080</b>

**NOTE 31 - Expenditure in Foreign Currency**

	<u>31.03.2016</u>	<u>31.03.2015</u>
Exhibition expenses	2,970,021	922,572
	<b>2,970,021</b>	<b>922,572</b>

**NOTE 32 - Earnings in Foreign Exchange**

	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
FOB Value of Exports	522,144,280	524,789,885
	<b>522,144,280</b>	<b>524,789,885</b>

**NOTE 33 - Earnings Per Share**

	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
No. of Equity Shares (Weighted Average)	1,351,500	1,351,500
Profit After Tax	8,994,010	31,453,556
Earnings Per Share (Basic & Dilutive)	<b>6.65</b>	<b>23.27</b>

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 34** In line with the notification dated 31st 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** As per the requirements of Accounting Standard 17-Segment Reporting ,the company has identified Reportable Business Segment From 2015-16 as Marble & Granites and other than Marble & Granite(Iron Ore).

	<b><u>31.03.2016</u></b>	<b><u>31.03.2015</u></b>
Segment Revenue		
A.Marble & Granites	6452.85	-
B.Trading(other than Marble & Granite)	266.65	-
Revenue From Operations(Including Other Income)	<b>6719.50</b>	-
Segment Results		
Profit/Loss Before Charging Unallocable Expenditures		
A.Marble & Granites	-23.72	-
B.Trading(other than Marble & Granite)	134.76	-
Unallocable Expenses (Tax)	21.1	-
Net Result	<b>89.94</b>	-
Segment Wise Capital Employed(Segment Assets-Segment Liabilities)		
A.Marble & Granites	9132.41	-
B.Trading(other than Marble & Granite)	109.4	-

**Note 36 -** Related parties information as per AS -18 as under :

**(I) (a) Parties where the control/significant influence exist**

**NIL**

**NIL**

**(b) Other with whom transaction have been taken place during the year**

(A) Key Management Personals

J.P Agarwal

Kapil Agarwal

Geeta Devi Agarwal

(B) Relatives

Ankit Agarwal

Kanika Agarwal

Shruti Agarwal

(C) Entities with whom transactions have taken place during the year under review.

Bhola Motor Finance Pvt. Ltd.

Geetanjali Buildtech Private Limited

Geetanjali Investech Holdings Pvt Ltd,

Geetanjali Marble

Geetanjali University

Krishna Marble

Maheshwari Financial Services Ltd.

MR agarwal Holding LLP

Ojaswi Marbles & Granites Pvt. Limited

Pacific Export

Pacific Leasing And Research Pvt. Limited

Proclaim Constructions Private Limited

Radha Granites

Rahul Marbles Private Limited

Ravi Realmart Private Limited

Shri Kesariyaji Real Estate Private Limited

Reyansh Infrastructure Private Limited

Shruti Synthtics Ltd.

Stead Fast Builders Private Limited

Trinity Infopark Private Limited

Particulars	Referred in (a)		Referred in (b)		Referred in (c)	
	Above (Rs. in Lacks)		Above (Rs. in Lacks)		Above (Rs. in Lacks)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Purchases	0.00	0.00	0.00	0.00	50.27	184.17
Purchase of Fixed Assets	0.00	0.00	0.00	0.00	0.00	4.07
Sales	0.00	0.00	0.00	0.00	28.75	19.17
Salary	48.00	48.00	0.00	0.00	0.00	0.00
Payables/(Advance)	0.00	-75.74	0.00	-1.75	0.00	-349.35
Loan Outstanding as on 31 - March(Liabilities)	842.85	615.93	0.00	0.00	191.64	0.00

**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.**

- I. 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.
- II. Service Tax refund claim rejection of Rs 11.02 lacs against which the company is perusing the matter with concerned department.
- III. 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.
- IV. 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.
- V. Demand Raised by the Central Excise Commissionerate of Rs 1.11 Crores/- against which Rs 55.96 Lacs is deposited by the company. The Said Matter has been taken to the High Court and the petition is still pending.
- VI. Demand Raised by the Central Excise Commissionerate of Rs 58.66 Lacs/- against which Rs 4.40 Lacs is deposited by the company against which the company has filed an appeal.

**(B) Guarantees**

NIL

**(C) Other Contingent Liabilities**

- I. Show cause notice received 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.
- II. Show Cause notice received 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**

NIL

**NOTE 39 -** The Provision of Section 135 of the Companies Act, 2013 are applicable to the Company. Accordingly, the Company has incurred Rs. 21.35 Lacs during the year on account of expenditure towards Corporate Social Responsibility. Company has paid amount to Geetanjali University for the Free fooding and medical treatment to the people.

NOTE 40 - Previous year's figures have been regrouped and rearranged wherever considered necessary.

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

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

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

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**Form No. MGT -11  
PROXY FORM**

***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]***

**27<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September 2016**

Name of the Member(s):
Registered Address:
E-mail Id:
Folio No /Client ID:
DP ID:

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on Friday the 30th September, 2016 at 10.00 a.m. at Village : Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural), Bangalore - 562123 (Karnataka) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Vote	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2016, together with the Reports of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of Mr. Sumeet Agarwal (DIN: 02484015) who retires by rotation, and being eligible offers himself for re-appointment		

3.	Ratification of Appointment of Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting & fixing their remuneration		
----	---	--	--

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder

Affix  
Revenue  
Stamps

Signature of First Proxy holder  
holder

Signature of Second Proxy holder

Signature of Third Proxy

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

## PACIFIC INDUSTRIES LIMITED

**Registered Office :** Survey No. 13, N.h. 48, Kempalinganahalli Village,  
Nelamangala Taluk, Bangalore-Karnataka 562123

**Tel No. :** +91-8027723004 ; Fax : +91-8027723005

**Corporate Office:** Village Bedla, P.O. Box 119, Udaipur-313001,

**Tel No.** +91-294-2440196, 2440388 ; Fax : +91-294-2440780

**Email :** pacificinvestor@rediffmail.com.com ; Website : www.pacificindustriesltd.com

**CIN :** L14101KA1989PLC062041

### 27th ANNUAL GENERAL MEETING ATTENDANCE SLIP

DP ID		Regd. Folio No.	
Client ID		No. of Shares Held	

I/ we hereby record my / our presence at the 27<sup>th</sup> Annual General Meeting of the company, to be held on Wednesday the 30<sup>th</sup> September, 2015 at 10.00 a.m. at Village: Survey No. 13, Kempalingahalli, Nelamangala Taluk (Rural), Bangalore – 562123.

\_\_\_\_\_  
Name of the Shareholders (In block Letters)

\_\_\_\_\_  
Signature

**NOTE:** Please complete the Attendance slip and hand it over at the entrance of the Meeting Hall

### ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	USER ID	PASSWORD

**PACIFIC INDUSTRIES LIMITED (PIL)**  
Route Map for Venue of 27<sup>th</sup> Annual General Meeting (AGM)



**Venue of AGM**  
Survey No. 13, N.h. 48, Kempalinganahalli Village,  
Nelamangala Taluk, Bangalore-Karnataka 562123



## PACIFIC INDUSTRIES LIMITED

**Registered Office :** Survey No. 13, N.h. 48, Kempalinganahalli Village,  
Nelamangala Taluk, Bangalore-Karnataka 562123

**Tel No. :** +91-8027723004 ; Fax : +91-8027723005

**Corporate Office:** Village Bedla, P.O. Box 119, Udaipur-313001,

**Tel No.:** +91-294-2440196, 2440388 ; Fax : +91-294-2440780

**Email :** pacificinvestor@rediffmail.com; Website : [www.pacificindustriesltd.com](http://www.pacificindustriesltd.com)

**CIN :** L14101KA1989PLC062041

### BALLOT FORM

(To be returned to Scrutinizer appointed by the Company)

Name of the Member(s)	
Address	
Email ID	
DP ID Client Id/ Folio No.	
No. of Shares held	

I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s)/ Special Resolution(s) as specified in the Notice of Pacific Industries Limited dated 13<sup>th</sup> August, 2016 to be passed at the Annual General Meeting of the Company, for the businesses stated in the said notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

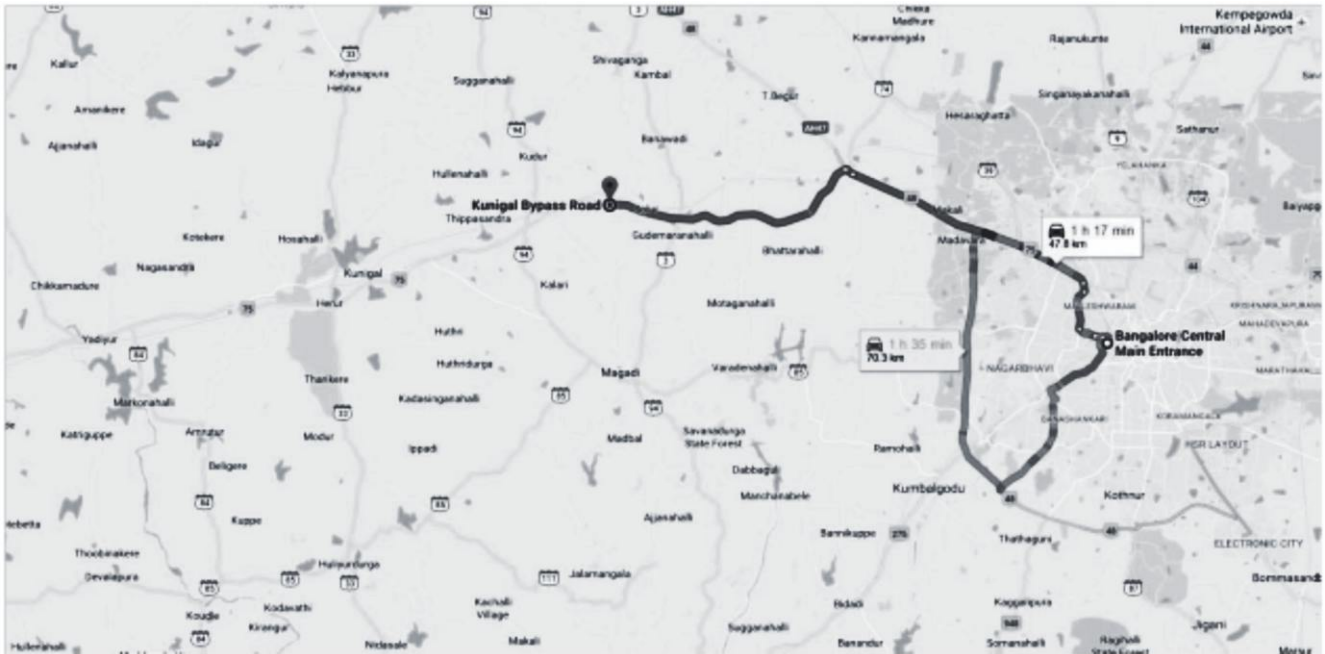
Resolution No.	Resolution	Type of resolution (Ordinary/ Special )	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)	I/We abstain to vote on the resolution (Abstain)
	<b>Ordinary Business</b>				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2016, together with the Reports of the Board of Directors and Auditors thereon	Ordinary			
2.	To appoint a Director in place of Mr. Sumeet Agarwal (DIN: <u>02484015</u> ) who retires by rotation, and being eligible offers himself for re-appointment	Ordinary			
3.	Ratification of Appointment of Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of next Annual General Meeting & fixing their remuneration	Ordinary			

Date :

Place :

Signature of Member

**PACIFIC INDUSTRIES LIMITED (PIL)**  
Route Map for Venue of 27<sup>th</sup> Annual General Meeting (AGM)



**Venue of AGM**  
**Survey No. 13, N.h. 48, Kempalinganahalli Village,**  
**Nelamangala Taluk, Bangalore-Karnataka 562123**





*If undelivered please return to:*  
CORPORATE OFFICE & FACTORY :  
Village Bedla, P.O. Box 119,  
Udaipur 313001, INDIA  
Tel: +91-294-2440196, 2440388  
2440933, 2440934  
Fax: +91-294-2440780

REGISTERED OFFICE & FACTORY :  
Survey No. 13, N.H. 48,  
Kempalinganahalli Village,  
Nelamangala Taluk,  
Bangalore (R) 562123, Karnataka, INDIA  
Tel: +91-8027723004, +91-80 27725976  
Fax: +91-80 27723005  
E-mail: pilsouth@pacificgranites.com  
pilnorth@pacificgranites.com

[www.pacificindustriesltd.com](http://www.pacificindustriesltd.com) | [www.pacificgranites.com](http://www.pacificgranites.com)

PRINTED MATTER

To,