

28<sup>th</sup> ANNUAL REPORT 2015-16



**PACIFIC**  
INDUSTRIES LTD.INDIA

Some **WONDERS** are forever...

[www.pacificindustriesltd.com](http://www.pacificindustriesltd.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



## **CORPORATE INFORMATION**

### **Board of Directors**

Mr. J. P. Agarwal	Chairman & Managing Director
Mr. Kapil Agarwal	Executive Director
Mr. Sagar Mal. 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>



Stock Exchange where Company's Securities are listed	Secretarial Auditors
BSE Limited Calcutta Stock Exchange 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>

Plant Locations	
<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 Eight Annual General Meeting of the Members of **PACIFIC INDUSTRIES LIMITED** will be held on Friday the 29th September, 2017 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 alongwith Consolidated Financial Statements for the Financial Year ended on 31st March 2017, and the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Geeta Devi Agarwal (DIN:00386331) who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s RAVI SHARMA & CO. (FRN No. 15143C), Chartered Accountants be are hereby appointed as the Statutory Auditors of the Company for a term of 5 years commencing from the conclusion of the 28th Annual general Meeting of the Company till the conclusion of the 33rd Annual General Meeting of the Company subject to the ratification of their Appointment by the Members at every intervening held after this Annual General Meeting, on such remuneration as may be mutually agreed upon by the Board of Directors and Auditors.”

Place: Bedla Udaipur

Date: 04th September, 2017

#### **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. There being no special Business, the statement pursuant to Section 102 of the Companies Act, 2013 is not mandated. Additional information, pursuant to Regulations 26 (4) and 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings in respect of Director seeking appointment/re-appointment at the Annual General Meeting is furnished as annexure to the Notice.

2. 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.
3. 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.
4. 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.
5. 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. A proxy form in form MGT-11 for the AGM is enclosed herewith.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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)
12. Members are requested to send their demat/remat applications, request for share transfers, intimation of change of address and other correspondence to the Company's Registrar and Share Transfer Agent M/s Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083.
13. The Notice of AGM along with the Annual Report 2016-17 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 25th August, 2017 (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.

14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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.
21. 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 on the website of respective Stock Exchanges.
22. The Register of Members and Share Transfer Books of the Company will remain Closed from Friday 22nd September, 2017 to Friday 29th September, 2017 (both day inclusive)
23. 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](https://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, 25th September, 2017 from 09:00 A.M. to Thursday, 28th September, 2017 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. 22nd September, 2017, 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. 22nd September, 2017.
24. 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)
  25. 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.
  26. The route map showing direction to reach the venue of the 28th AGM is annexed at the end of the Report.
  27. The Ministry of Corporate Affairs has taken a "Green Initiatives in Corporate Governance" in 2011 by allowing paperless compliances by the Companies and had issued circulars stating that service of notice/documents including Annual Report can be sent to the Shareholders in Electronic Mode. To support this green initiatives of the Government in full measure, the members who have not registered their e-mail 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.
  28. Any Member(s) who require any special assistance of any kind at the venue of the Twenty Eight AGM are requested to send details of their special needs in writing to the Company email [Id-pacificinvestor@rediffmail.com](mailto:Id-pacificinvestor@rediffmail.com) at least three days before the date of AGM.

29. Details of Directors seeking re appointment at the forthcoming AGM under Item No. 2 -

<b>Name of the Director</b>	<b>Mrs. Geeta Devi Agarwal</b>
Director Identification Number (DIN)	00386331
Date of Birth	25-03-1960
Nationality	Indian
Date of Appointment in Board	14/08/2014
Qualification	B.Com
Shareholding in the Company	190421
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 28th Annual Report on the business and operations of Pacific Industries Limited along with the Audited Financial Statements for the Financial Year Ended March 31, 2017.

### 1. Financial Highlights

The Standalone and Consolidated Financial Results of the company for the year ended 31st March, 2017 are as follows:

(Rs. In Lacs)

Particulars	Standalone (F.Y.)		Consolidated (F.Y.)	
	2016-17	2015-16	2016-17	2015-16
Revenue from Operations and Other Income	6732.13	6719.49	10550.05	-
Less: Operating Cost	6111.58	5761.93	9983.08	-
<b>Operating Profit/PBDIT</b>	<b>620.55</b>	<b>957.56</b>	<b>566.98</b>	-
Less: Interest & Finance Charges	220.49	289.80	138.54	-
Less: Depreciation & Amortization Expenses	368.14	550.42	368.52	-
<b>Profit Before Tax and Exceptional Items</b>	<b>31.92</b>	<b>117.35</b>	<b>59.92</b>	-
Add: Exceptional items	-	-	-	-
<b>Profit Before Tax</b>	<b>31.92</b>	<b>117.35</b>	<b>59.92</b>	-
Less: Provision for Tax	4.65	21.10	14.01	-
Less: Prior Period Adjustment	7.60	6.30	7.60	-
<b>Profit After Tax</b>	<b>19.67</b>	<b>89.94</b>	<b>38.30</b>	-
Transfer to General Reserve	-	-	-	-
<b>Surplus carried to Balance Sheet</b>	<b>19.67</b>	<b>89.94</b>	<b>38.30</b>	-

### 2. BUSINESS OVERVIEW

Your Company continues to maintain its reputation as one of the most reputed manufacturers & providers of choicest and exclusive range of Indian & Imported Marbles & Granites. The Company has strived to innovate in technology and marketing and has evolved accepting the changing customer demands and aspirations.

Aggressive marketing and rational utilization of resources by the management of the Company has been an ongoing process as usual.

The Company has visualized on many uncharted territories in terms of creating a better future for itself in terms of new products and a wider range of colors and the Company is well positioned to capture benefits of the upturn.

### **Customer Relationships**

Your Company believes that strengthening the relationships with its existing clients is as important as adding new names to its clientele. The Company has been exploring new opportunities with its existing clients and has also widened its client base both geographically and numerically during the year under review and hopes to further expand it with the introduction of e-commerce facility on its website in the coming years.

The Company has also gained and maintained a reputation for importing and distributing only the highest quality stone while providing clients with personalized, detailed attention in selecting the right material for their projects.

### **Personnel & Performance**

Your Company has been able to develop an environment, which is conducive to high growth and performance, a work culture that encourages meritocracy and rewards high performers in an adequate and fair manner.

## **3. CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company and all the subsidiaries form a part of this Annual Report and have been prepared in accordance with section 129(3) of the Companies Act, 2013. A separate statement containing salient features of the Financial Statements in prescribed format AOC-1 is annexed as Annexure-I to this report. This statement also provides the details of the performance and financial position of each of the Subsidiary Company.

## **4. DIVIDEND AND TRANSFER TO RESERVE**

Your Directors have not recommended any dividend for the year 2016-2017. The Board of Directors didn't propose to transfer any sum to the General Reserve.

## **5. DETAILS OF SUBSIDIARIES**

The Company has the following subsidiaries and step-down subsidiaries:

Wholly owned Subsidiaries:-

- a) Gaze Fashiontrade Limited, a 100% Subsidiaries of the Company situated in the state of Karnataka.
- b) Gist Minerals & technologies Limited, a 100% Subsidiaries of the Company situated in the state of Maharashtra.

Step Down Subsidiaries:-

- a) Biswas Solar Instrument Private Limited,, a wholly owned step-down subsidiary of

the Company.

- b) Blood hound Security Company Pvt. Ltd., a wholly owned step-down subsidiary of the Company.
- c) Radhika vyapaar Pvt. Ltd. a wholly owned step-down subsidiary of the Company.
- d) Saha Coloured & falvour Spirit manufacture Pvt. Ltd. a wholly owned step-down subsidiary of the Company.

There is no associate company within the meaning of section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the Subsidiaries.

**6. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

The Company has incorporated Following Two wholly owned subsidiary company:-

- (i) Gaze fashion trade Limited in the state of Karnataka.
- (ii) Gist Minerals Technologies Limited in the state of Maharashtra.

**7. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

**8. DECLARATION OF INDEPENDENT DIRECTORS**

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.

**9. 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.

**10. 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



**11. NUMBER OF THE MEETINGS OF THE BOARD OF DIRECTORS**

The Company had four (4) Board Meetings during the Financial Year under review. The Board Meetings were held in Compliance with the Companies Act, 2013. The details of the same provided in the Corporate Governance Report.

**12. EVALUATION OF THE BOARD'S PERFORMANCE**

In compliance with the requirements of Section 134(3) (p) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of working of its Committee.

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.

**13. COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Board has framed a policy relating to appointment of Directors, payment of Managerial remuneration, Director's qualifications, positive attributes, independence of Directors and other related matters as provided under section 178(3) of the Companies Act, 2013 based on the recommendation of Nomination and Remuneration Committee. The details of this policy is explained in the Corporate Governance Report.

**14. 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.

**15. 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, 2017, 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, 2017 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.
15. Particulars of loans, guarantees and investments

**16. 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 3. 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)

**17. 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)

## **18. 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.

## **19. AUDITORS AND AUDITORS' REPORT**

### **A. Statutory Auditors**

The board has appointed of M/s Ravi Sharma & Co., Chartered Accountant, Jaipur (Firm Registration No. 015143C) as Statutory Auditors of the Company for Five (5) years beginning from the conclusion of ensuing 28th AGM to till the Conclusion of ensuing 33rd AGM, subject to ratification of their appointment at every AGM, in place of existing Statutory Auditors M/s A. Bafna & Co., Chartered Accountants, Jaipur in compliance with the mandatory rotation of Auditors under the Companies Act, 2013 at their meeting held on 30.05.2017.

There is qualification or adverse remark contained in the Statutory Auditors' Report attached to Balance Sheet as at 31st March, 2017. 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 2016-17 as per the provisions of Section 204 of Companies Act 2013 and rules made thereunder.

The Secretarial Audit Report for the financial year 2016-17 is attached herewith as



Annexure 4. There is no reservation, qualification or adverse remark contained in the Secretarial Auditor Report..

## **20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments made under section 186 of the Companies Act, 2013 by the company, to other Body Corporates or persons have been disclosed in notes to the financial statements.

## **21. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

## **22. EXTRACT OF ANNUAL RETURN**

As provided under section 92(3) of the Companies Act, 2013 the extract of annual return is given in Annexure-5 in the prescribed form MGT-9, which forms part of this report.

## **23. 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- 6.

## **24. 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).

## **25. RISK MANAGEMENT**

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.

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.

## **26. 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.

## **27. 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.

## **28. 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 7 and forms part of the Report.

## **29. GREEN INITIATIVES**

As in the previous years, this year too, Electronic copies of the annual Report 2016-17 and the notice of the 28th 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.

## **30. ACKNOWLEDGEMENTS**

Your Company will soon complete 28 eventful years of the existence in this country.

Your Directors are proud of this rich heritage and thank to all our stakeholders who have contributed to the success of your country.

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**
**FORM NO. AOC - 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014.

**Statement containing salient features of the Financial Statements of  
Subsidiaries/Associate Companies/ Joint Ventures**

**Part “A”: Subsidiaries**

Particulars	Subsidiaries		Step-Down Subsidiaries			
Sl. No.	1	2	3	4	5	6
Name of Subsidiary	Gaze Fashiontrade Ltd.	Gist Minerals & technologies Limited	Biswas Solar Instrument Pvt. Ltd.	Blood hound Security Company Pvt. Ltd.	Radhika vyapaar Pvt. Ltd.	Saha Coloured & falvour Spirit manufacture Pvt. Ltd.
The date since when subsidiary was acquired	21 <sup>st</sup> October, 2016	07 <sup>th</sup> November, 2016	15 <sup>th</sup> March, 2017	15 <sup>th</sup> March, 2017	15 <sup>th</sup> March, 2017	15 <sup>th</sup> March, 2017
Reporting period for the Subsidiary Concerned, if different from the holding company's reporting period	01 <sup>st</sup> April 2016 to 31 <sup>st</sup> March, 2017	01 <sup>st</sup> April 2016 to 31 <sup>st</sup> March, 2017	01 <sup>st</sup> April 2016 to 31 <sup>st</sup> March, 2017	01 <sup>st</sup> April 2016 to 31 <sup>st</sup> March, 2017	01 <sup>st</sup> April 2016 to 31 <sup>st</sup> March, 2017	01 <sup>st</sup> April 2016 to 31 <sup>st</sup> March, 2017
Share Capital	1,000,000	1,000,000	7,902,000	6,002,000	5,000,000	1,050,000
Reserve & Surplus	-340.00	-259,996	772,341,282	584,244,396	235,244,596	900,975,931
Total Assets	19,345,280	67,885,904	780250379	590,266,326	394,795,530	1,074,624,578
Total Liabilities	18,345,620	67,145,900	7,097	19,930	154,550,935	172,598,647
Investments	5,921,250	25,601,350	-	284,234,150	-	197,600,000
Turnover	804,847	-	32000	28,000	174,846,393	214,275,685
Profit before taxation	-340.00	-259,996	-22	1413	1,639,224	1,418,763
Provision for Taxation	-	-	451	699	490,648	444,964
Profit after taxation	-340.00	-259.996	-473	714	1,148,576	973,799
Proposed dividend	-	-	-	-	-	-
% of Shareholding	100	100	99.98	99.96	99.96	100

Notes:

1. Name of Subsidiaries which are yet to commence operation: NA
2. Name of Subsidiaries which have been liquidated or sold during the year: NIL

**Part “B”: Associates and Joint Ventures**

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

There is no Associates and Joint Ventures as on 31st March, 2017.

For and on behalf of the board

Sd/-

**J. P. Agarwal**

Chairman & Managing Director  
(DIN:00386183)

Sd/-

**Kapil Agarwal**

Director  
(DIN: 00386298)

Place: Udaipur

Date: 30.05.2017



### Particulars of Employees

1. 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 2016-17	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	15.03
Mr. Kapil Agarwal	Rs.24.00 Lacs	Rs.24.00 Lacs	0.00	15.03

B. Remuneration paid to KMPs

Name of Director	Remuneration in FY 2016-17	Remuneration in FY 2014-15	% Inc./ (Dec) in Remuneration	Ratio of Remuneration to MRE
Ms. Khushbu Sethi – Company Secretary	2.94 Lacs*	NA	NA	1.84

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

- C. The median remuneration of employees was Rs. 1,59,660/- in financial year 2016-17 and Rs. 1,58,052/- in financial year 2015-16. There was Increase in MRF in financial year 2016-17 of 1.01% as compared to financial year 2015-16.
- D. Number of permanent employees on the rolls of Company was 293 employees as on 31.03.2017.
- E. The aggregate remuneration of the employees was increased by 16.64% over the previous financial year.
- F. There was no increase in the salary of WHOLE TIME DIRECTOR. The increase in remuneration of other than KMP's was 18.36%. The increase in total remuneration of KMPs including whole time director was 0.59% over the previous financial year.
- G. Average Salary increase of non- managerial employees was 0.59% and that of managerial employees 18.36% in financial year 2016-17. There are no exceptional circumstances in increase in managerial remuneration.
- H. Remuneration paid during the year ended 31st March, 2017 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:

#### a) Details of Top Ten employee in terms of remuneration drawn during the year ended on 31.03.2017

Sl. No.	Employee Name	Designation	Remuneration received (CTC*)	Date of commencement of employment	Educational Qualification	Age (Years)	Experience (in Years)	Last employment
1.	Mr. J.P. Agarwal	Chairman & Managing Director	2400000	13.07.1989	CA (Inter)	59	28	NIL
2.	Mr. Kapil Agarwal	Executive Director	2400000	01.07.2005	MBA	34	12	NIL
3.	Mr. Ravi Kumar Sharma	Finance Controller	1260000	01.06.2013	CA & CS	29	8	Banswara Syntax Ltd
4.	Mr. Anurag Jain	AVP Business Management	900000	01.06.2014	MBA	33	13	Angel Broking Pvt. Ltd.
5.	R. G. NAGENDRA	Deputy General Manager- HR	850200	11.01.2016	Bsc, Dip in Social Science, PGDPM & IR, Dip in IR,, MBA	58	01	M/s. Serenity Trades Pvt Ltd, Mumbai
6.	SWAMY V R	Sr. MANAGER-FACTORY	660804	11.02.1997	DME(Mech)	48	20	M/s. STI Granite India Limited, Tumkur
7.	SHIVARAJU G	MANAGER-ELECTRICAL	539664	01.08.1996	DEE	47	21	M/s. STI Granite India Limited, Tumkur
8.	RAKESH TOSHNIWAL	Sr. MANAGER-ACCOUNTS	537237	05.05.2005	B. Sc.	47	12	M/s. Thanuka Marbles (P) Ltd, Udaipur
9.	T K S PRAKASH	MANAGER-GANSAW	525000	01.09.2009	BE (Mech)	42	8	M&G Impex (P) Ltd, Hosur
10.	J N PRASAD	MANAGER-PURCHASE & MIS	512040	01.11.2008	B.Com	44	8	M&G Impex (P) Ltd, Hosur

**Annexure - 3**
**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. 2,732,377	N.A.	N.A.
Rahul Marbles Pvt. Ltd.	Purchase	Ongoing	Purchase for the business of the Company Rs. 496,614		
Krishna Marbles	Purchase	Ongoing	Purchase for the business of the Company Rs. 25,969,189	N.A.	N.A.

For and on behalf the Board of Directors

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

**Annexure-4****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

[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, 2017, 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, 2017 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 except the company did not disclosed the information relating to step down subsidiaries to Stock Exchange as per Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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 hereby report that the Company has promoted Two Subsidiary companies during the year under review. The said Subsidiary Companies of the have also acquired the Shares of Four companies during the year under review.

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: 30th May, 2017

**'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: 30th May, 2017

**Annexure- 5**
**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-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai-400083. Tel. :022-49186000 Fax :022-49186060

**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/A ssociate	% of Shares held	Appli cable Secti on
1.	GAZE FASHIONTRADE LIMITED  FLAT NO. A6, -306, IN BLOCK NO.A IN JANAPRIYA 1ST AVENUE, ARISHINAGUNTE VILLAGE, NEEMANGALA BANGALORE Bangalore KA 562123 IN	U17100KA2016PLC097289	Wholly Owned Subsidiary	100%	2(87)
2.	GIST MINERALS TECHNOLOGIES LIMITED  1302, DHEERAJ HEIGHTS-1, ADARSH NAGAR, ANDHERI (WEST), MUMBAI Mumbai City MH 400053 IN	U14290MH2016PLC287436	Wholly Owned Subsidiary	100%	2(87)
3.	BISWAS SOLAR INSTRUMENT PRIVATE LIMITED  5/4, CLIVE ROW 2ND FLOOR, ROOM NO-33A KOLKATA Kolkata WB 700001 IN	U51909WB1996PTC081593	Step Down Subsidiary	100% through Subsidiary Company	2(87)
4.	BLOOD HOUND SECURITY COMPANY PVT. LTD  5/4, CLIVE ROW, 2ND FLOOR, ROOM NO 33A KOLKATA Kolkata WB 700001 IN	U75302WB1997PTC082693	Step Down Subsidiary	100% through Subsidiary Company	2(87)
5.	RADHIKA VYAPAAR PVT LTD  5/4, CLIVE ROW 2 <sup>ND</sup> FLOOR, ROOM NO-33A KOLKATA Kolkata WB 700001 IN	U51109WB2005PTC106211	Step Down Subsidiary	100% through Subsidiary Company	2(87)
6.	SAHA COLOURED & FLAVOUR SPIRIT MANUFACTURER PRIVATE LIMITED  5/4, CLIVE ROW 2ND FLOOR, ROOM NO.33A KOLKATA Kolkat a WB 700001 IN	U24200WB2008PTC131069	Step Down Subsidiary	100% through Subsidiary Company	2(87)

#### 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-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% 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	520592	0	520592	38.51	520592	0	520592	38.51	0
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>595202</b>	<b>0</b>	<b>595202</b>	<b>44.04</b>	<b>595202</b>	<b>0</b>	<b>595202</b>	<b>44.04</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	1140	1140	0.084	0	1140	1140	0.084	0
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) FIIs	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	3350	3350	0.24	0	3350	3350	0.24	0
<b>Sub-total (B)(1):-</b>	<b>20</b>	<b>4550</b>	<b>4570</b>	<b>0.33</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.	69707	14603	84310	6.23	75332	14603	89935	6.65	0.42
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	242250	293524	535774	39.64	238843	289873	528716	39.12	(0.52)
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	98866	0	98866	7.31	99958	0	99958	7.39	0.08
c) Others (specify)	0	0	0	0					0
Non Resident Indians	4728	0	4728	0.34	4543	0	4543	0.336	(0.004)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	4420	4420	0.32	0	4420	4420	0.32	0
Clearing Members	23630	0	23630	1.74	24156	0	24156	1.78	0.04
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>	439181	312547	751728	55.62	442832	308896	751728	55.62	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	439201	317097	756298	55.96	442852	313446	756298	55.96	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>1034403</b>	<b>317097</b>	<b>1351500</b>	<b>100</b>	<b>1038054</b>	<b>313446</b>	<b>1351500</b>	<b>100</b>	<b>0</b>

## 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	24250	1.79	-	24250	1.79	-	0.44
14	Shruti Agarwal	21053	1.55	-	21053	1.55	-	0.50
	<b>Sub Total</b>	<b>520592</b>	<b>38.51</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>595202</b>	<b>44.03</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	24250	1.79	24250	1.79
	Increase/Decrease	No Change			
	At the end of the year	24250	1.79	24250	1.79
14.	Shruti Agarwal				
	At the beginning of the year	21053	1.55	21053	1.55
	19.06.2015 (Market Purchase)	No Change			
	At the end of the year	21053	1.55	21053	1.55
15.	Rahul Marbles Pvt. Ltd.				
	At the beginning of the year	60000	4.43	60000	4.43
	Increase/Decrease	No Change			
	At the end of the year	60000	4.43	60000	4.43
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 theyear	
		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 2016-2017				
	<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>	43081	3.18	43081	3.18
	There is no change during the financial year 2016-2017				
	<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 2016-2017				
	<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 2016-2017				
	<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 2016-2017				
	<b>At the end of the year</b>			10,960	0.81
6.	<b>Devendra Kumar Maliwal</b>				
	<b>At the beginning of the year</b>	10,496	0.77	10,496	0.77
	Purchase/ (Sale) from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017	1092	0.08		
	<b>At the end of the year</b>			11588	0.85
7.	<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 2016-2017				
	<b>At the end of the year</b>			9,298	0.68
8.	<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 2016-2017				
	<b>At the end of the year</b>			8,040	0.59



9.	<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 2016-2017				
	<b>At the end of the year</b>			7,598	0.5622
10.	<b>Pawan Goyal</b>	0.00	0.00	0.00	0.00
	Purchase/ (Sale) from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017	6464	0.47		
11.	<b>Om Prakash Agarwal</b>				
	<b>At the beginning of the year</b>	6,339	0.4690	6,339	0.4690
	There is no change during the financial year 2016-2017				
	<b>At the end of the year</b>	6,339	0.4690	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	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>	176,583,057	239,740,170	0	416,323,227
<b>Change in Indebtedness during the financial year</b>				
* Addition	7,488,668	44,615,903	0	52,104,571
* Reduction	-		0	-
<b>Net Change</b>	7,488,668	44,615,903	0	52,104,571
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	184,071,725	284,356,073	0	468,427,798
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	184,071,725	284,356,073	0	468,427,798

**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	<b>Gross salary</b>	2400000	2400000	4800000
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	--	--	--
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	-	-	--
	<b>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961</b>	--	--	--
2	<b>Stock Option</b>	--	--	--
3	<b>Sweat Equity</b>	--	--	--
4	<b>Commission</b> - as % of profit - others, specify...	--	--	--
5	<b>Others, please specify</b>	--	--	--
	<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	<b>NA</b>				
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTG

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Miss. Khushbu Sethi Company Secretary		Total
1	Gross salary	--	2,94,000	--	2,94,000
	(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	--	--	--	--
	Total	--	2,94,000	--	2,94,000

**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 - 6**
**Annual Report on Corporate Social Responsibility (CSR) Activities 2016-17**

- (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. 481.167 Lacs**
- (4) **Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 09.62 Lacs**
- (5) Previous year unutilised Balance: 0.00
- (6) Additional Expenses Made: 1.00 lacs
- (7) **Details of CSR spent during the financial year:**
- (a) Total amount spent for the financial year: Rs. 10.62 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	5.81	5.81	5.81	Through implementing agency (Geetanjali medical college & hospital)
2.	Eradicating hunger, poverty and malnutrition	Providing mid-day meal through Patient CAMP	Rajasthan	4.81	4.81	10.62	Through implementing agency (Geetanjali medical college & hospital)
<b>Grand Total</b>				<b>10.62</b>	<b>10.62</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: 30.05.2017

## Annexure - 7

### 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>	7164137	6838890
	Total Amount (Rs.)	53147273	47752838
	Rate per unit (Rs.)	7.41	6.98
	<b>(b) Own Generation</b>		
	Through Diesel Generators		
	Units (Kwh)	110990	322220
	Units per litre of Diesel Generators	3.35	2.9
	Cost per unit (Rs.)	14.76	17.07
	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	264389.081	247847.42
	Electricity/Sq. Mtr (Kwh)	27.09	28.89

#### 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

Particulars	Current Year 2016-2017	Previous Year 2015-2016
F.O.B. Value of Export of Finished Goods	5439.11	5221.44
C.I.F. Value of Imports		
(a) Raw Materials (Consumables)	1192.50	1022.64
(b) Capital Goods	-	390.97
Expenses in Foreign Currency	19.52	29.70

For and on behalf the Board of Directors

Date: 30.05.2017  
Place: Udaipur

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

## Corporate Governance Report

### 1. Company's Philosophy on Corporate Governance:

The purpose of Corporate Governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long- term success of the Company. Corporate Governance is the system by which companies are directed and controlled. Boards of Directors are responsible for the governance of their Companies. For PIL, it is not only Governance but Good Governance. Good Governance involves a lot more than compliance. Good Corporate Governance is a culture and a climate of Consistency, Responsibility, Accountability, Fairness, Transparency and Effectiveness that is deployed throughout the organization. It is all about balancing individual and social goals as well as economic and social goals.

We take the subject of Corporate Governance very determinedly right from the boardroom to the manufacturing floor. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of integrity and consciousness. We consider it our inherent responsibility to disclose timely, adequate and accurate information regarding our financials and performance as well as leadership and governance of the Company.

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 2016-17 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, 2017 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 2016-17		Whether attended last AGM held on Sep30,2016	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	4	4	Yes	-	2	-	-
Mr. Kapil Agarwal Whole-time Director	Executive Director Promoter	4	4	No	-	2	-	-
Mrs. Geeta Devi Agarwal	Non-Independent, Non-Executive Promoter	4	3	Yes	-	1	-	-
Mr. Sumeet Agarwal	Non-Independent, Non-Executive	4	4	Yes	-	-	-	-
Mr. Vinod Choudhary	Independent, Non-Executive	4	3	Yes	-	1	-	-
Mr. Mangi Lal Dangi	Independent, Non-Executive	4	2	Yes	-	-	-	-
Mr. Sagar Agarwal	Independent, Non-Executive	4	4	Yes	-	-	-	-
Mr. Jayanti Lal Oza	Independent, Non-Executive	4	4	Yes	-	-	-	-

- ii. Four 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 19, 2016; August 13, 2016; November 14, 2016 and February 13, 2017. 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 13th February, 2017. 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, 2017 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 2016-17	
			Held	Attended
Mr. S.M. Agarwal (Chairman)	Independent ,Non-Executive	Chairperson	4	4
Mr. Jayanti Oza	Independent ,Non-Executive	Member	4	4
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 19, 2016; August 13, 2016; November 14, 2016 and February 13, 2017.  
The necessary quorum was present at all the meetings.

## B. Nomination and Remuneration Committee

- 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
- 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 2016-17	
			Held	Attended
Mr. S.M. Agarwal (Chairman)	Independent ,Non-Executive	Chairperson	1	1
Mr. Jayant i Oza	Independent ,Non-Executive	Member	1	1
Mr. Sumeet Agarwal	Non-Independent ,Non-Executive	Member	1	1

Two nomination and remuneration committee meetings were held. The dates on which the said meetings were held are as follows:  
February 13, 2017.

- 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, 2017
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 19, 2016; August 13, 2016; November 14, 2016 and February 13, 2017..
- 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 2016-17	
			Held	Attended
Mr. S.M. Agarwal	Independent ,Non-Executive	Chairperson	4	4
Mr. Jayanti Oza	Independent ,Non-Executive	Member	4	4
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, 2016	NIL
Complaints received during the period 1st April, 2016 to 31st March, 2017	09
Complaints disposed of during the period 1st April, 2016 to 31st March, 2017	09
Complaints outstanding as on 31st March, 2017	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 08th August, 2016 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 2016-17	
			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 13th February, 2017, 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 2016-17	
			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
25 <sup>th</sup>	2014	SurveyNo.13, N.H.48 , Kempalinganhalli, Nelamangala Taluka,Bangalore, Karnataka-562123	30/09/2014	10.00 a.m.	One
26 <sup>th</sup>	2015		30/09/2015	10.00 a.m.	One
27 <sup>th</sup>	2016		30/09/2016	10.0 .m.	No

### Special Resolutions through Postal ballot

The Company passed the following resolutions on 11th October, 2017 through postal ballot in accordance with the provisions of the Companies Act, 2013 read with the relevant rules made thereunder and SEBI (LODR) Regulations, 2015:

Sr. No.	Type of Resolution	Particulars	Voting Pattern	
			Favour	Against
1.	Special Resolution	Alteration of Object Clause of Memorandum of Association of the Company	99.99	0.1
2.	Special Resolution	Amendment of the Liability Clause of Memorandum of Association:	99.99	0.1

Mr. B.K. Sharma, Practicing Company Secretary, was appointed as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The Company had send the postal ballot notices along with Postal Ballot Form either by post or e-mail (to those members who had registered their e-mail with the Company/Depositories), to all members whose names appeared in the Register of Members/record of Depositories as on the cut-off date as decided by the Board. The Company had also provided e-voting facility as an alternative

## 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. SEBI Complaints Redress System (SCORES) Securities and Exchange Board of India (SEBI) administer a centralised web based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website [www.scores.gov.in](http://www.scores.gov.in). It also enables the market intermediaries and listed companies to receive the complaints from investor against them, redress such complaints and report redressal.

All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the Complaints.

- vii. 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, 2017. 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 2016-17
 

Date	:	29th September, 2017
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 29, 2017.

- ii. Financial Year : 1st April, 2016 to 31st March, 2017
  - iii. Date of Book Closure : As mentioned in the Notice of the AGM to be held on September 29, 2017
  - 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 verifies 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, 2017 is as under:

Particulars	No. of Shares	% (Percentage)
Physical Segment	313446	23.19
<b><u>Demat Segment</u></b>		
NSDL & CDSL	1038054	76.81
Total	<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 2016-17 on BSE :

Month	Share Price (In Rs.)		
	High	Low	Total number of equity shares traded
April,2016	128.3	111.7	12965
May,2016	128.9	105	19857
June,2016	118.1	101	5856
July,2016	118.5	100.3	4400
August,2016	166.95	110	10368
September,2016	134	113	3434
October,2016	150.2	111.65	10166
November,2016	151	113.1	3517
December,2016	145.7	119.1	1758
January,2017	142.8	123.1	3036
February,2017	139.7	123.05	6484
March,2017	137	118.45	6063

**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, 2017

Sr. No	No. of Equity Shares	No. of Shares	% of Shareholding	No. of Shareholders
1.	<b>1-500</b>	401474	29.705	17424
2.	<b>501-1000</b>	42143	3.119	58
3.	<b>1001-2000</b>	34186	2.530	23
4.	<b>2001 -3000</b>	27516	2.035	11
5.	<b>3001-4000</b>	19816	1.467	6
6.	<b>4001-5000</b>	18573	1.375	4
7.	<b>5001-10000</b>	103073	7.628	13
8.	<b>10001 and above</b>	704719	52.15	17
	<b>Total</b>	<b>1351500</b>	<b>100.00</b>	<b>17843</b>

- Category of Shareholders as on March 31, 2017

Particulars	No. of shares held	%
Promoters	5,95,202	44.05
FII's including Foreign Portfolio Investor	4430	0.33
Corporate Bodies	89935	6.66
Individuals	628674	46.51
NRI's	4543	0.33
Mutual Fund and UTI	4,490	0.33
Financial Institution/Banks	70	0.00
Clearing Members/ HUF	24156	1.79
<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, Karnataka-562123
- 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](mailto:pacificinvestor@rediffmail.com)  
Website : [pacificindustriesltd.com](http://pacificindustriesltd.com)

**8. Risk Management**

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

**9. Subsidiaries**

The performance of its Subsidiaries is also reviewed by the Board of Directors periodically. The Company doesn't have any material subsidiary Company.

**10. Management Discussion and Analysis**

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

**11. 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.

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

The Compliance Certificate on the financial statements for the financial year ended 31st March, 2017 is enclosed at the end of this report.

**13. 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.

**14. 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)

**15. 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.

**16. 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, 2017 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 2016-2017 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: 30th May, 2017  
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, 2017.

Place: Udaipur  
Date: 30.05.2017

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, 2017 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: 30.05.2017**  
**Place: Jaipur**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management of Pacific Industries Limited is pleased to present the Management Discussion and Analysis Report, which lucidly explains the Company's business, industry structure, opportunities and concerns, performance of the Company with respect to the operations and other relevant information. Management Discussion and Analysis forms a part of the compliance report on Corporate Governance.

### ❖ **BUSINESS OVERVIEW**

PIL Marbles was evolved through a simple thought way back in 1989 - the thought that the country deserves nothing short of the very best when it comes to marbles and granites. Looking back the past only makes the Company proud of the fact that it has managed to live up to the promise of providing our clients with high quality products and services that have constantly surpassed their expectations, and helped us create an enviable position over time. Building up on our modest inception,

### ❖ **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.

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**

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 28 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 and 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**

There are excellent opportunities in Marble & Granite industry due to large scale investment in Infrastructure and construction activity. The constant growth in construction sector has escalated the demand for marbles and granites substantially both in domestic and international markets.

Further, The World is indeed becoming a Global city. 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 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.

#### ❖ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company reiterates and again strongly believes that Internal Control Systems are a must for effective Corporate Governance and that delegation should be under due observance and the freedom of management should be complimented with proper checks and balances in place.

During this year, the Company has introduced the Internal Audit System, which has been designed to endow reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of Company's internal policy.

The Company continuously invests in strengthening its internal control processes and has in place adequate systems of internal control commensurate with its size and the nature of its operations.

The Audit Committee reviews the adequacy and the effectiveness of the internal controls at intervals to ensure that internal control systems are adhered to. Further, the Board annually reviews the effectiveness of the Company's internal control system.

#### ❖ **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. 10.50 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.

❖ **HUMAN RESOURCES**

The Company believes in making the optimum utilization of all the available resources, to achieve this, human power is highly important and thus the Company time over has been taking newer and effective initiatives for improving the human resource strength and creating a conducive and healthy work atmosphere.

The Company consider its Human Resource as the most valuable resource which has to be nurtured well and equipped to meet the challenges posed by the dynamics of business developments. The Company continuously provide training to its employees both in-house as well as through reputed Institutes. The staffs are highly motivated due to good work culture, training, remuneration packages and the values, which the Company maintains. The Board of Directors would like to record their appreciation of the efficient and loyal service rendered by the Company's employees.

❖ **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 2016-17 was Rs. 6732.13 Lacs as compared to Rs. 6719.50 Lacs in the previous year. In view of the acute competition in the market the profitability has been slow down during the year 2016-17.

❖ **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: 30.05.2017

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, 2017, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of 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 Standalone 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 there under.

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 Standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone financial statements. The procedures selected depend on the



auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 standalone 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 standalone 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 Pacific Industries Limited, as at 31 March 2017 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 1 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.
  - iv. The company had provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 by way of Note no. 39 and these are in accordance with the books of accounts maintained by Pacific Industries Limited.

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

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

**Date: 30th May 2017**  
**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 2017, 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 2017 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	CESTAT, Delhi
Excise Demand, Udaipur	2013-14	3610658	270799	3339859	CESTAT, Delhi
Excise Demand, Udaipur	2013-14	2255032	169128	2085904	CESTAT, Delhi
Custom Demand, Udaipur	2014-15	3346743	251005 (Paid on 6 <sup>th</sup> April 2017)	3095738	Joint Commissioner, Udaipur
Custom Demand, Udaipur	2014-15 & 2015-16	2772476	207936 (Paid on 6 <sup>th</sup> April 2017)	2564540	Joint Commissioner, Udaipur
Custom Demand, Udaipur	2015-16 & 2016-17	1719873	128990 (Paid on 6 <sup>th</sup> April 2017)	1590883	Ass. Commissioner, Udaipur

- (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: 30th May 2017  
Place: Jaipur

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

### **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, 2017, 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, 2017, 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: 30 May 2016**  
**Place: Jaipur**



**PACIFIC INDUSTRIES LIMITED**

Regd. Office : Survey No.13, N.H.48,Kempalinganahalli,Nelamangala Taluk, Distt. Bangalore -562123 (Karnataka)

CIN No.- L14101KA1989PLC062041

**STANDALONE BALANCE SHEET AS ON 31.03.2017**

<b>PARTICULARS</b>	<b>NOTES</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	13,515,000	13,515,000
Reserves & Surplus	2	604,114,384	602,147,131
		-	
		617,629,384	615,662,131
<b>NON CURRENT LIABILITIES</b>			
Long-Term Borrowings	3	328,893,848	290,980,371
Long Term Provision	4	18,770,966	17,537,820
		347,664,814	308,518,191
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	5	109,695,397	109,740,929
Trade Payable	6	120,812,296	129,011,617
Other Current Liabilities	7	78,552,933	56,337,868
Short Term Provision	8	10,357,389	8,942,131
		319,418,015	304,032,545
<b>TOTAL</b>		<b>1,284,712,213</b>	<b>1,228,212,867</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property Plant and Equipment	9		
Tangible Assets		274,502,453	304,734,323
Intangible Assets		3,440	6,237
Capital WIP		36,113,580	3,038,294
Non-Current Investments	10	2,435,061	174,371
Deferred Tax Assets (Net)	11	-	-
Long-Term loans and advances	12	17,228,213	15,386,364
Other Non Current Assets	13	10,025,221	12,280,010
		340,307,968	335,619,599
<b>CURRENT ASSETS</b>			
Inventories	14	565,762,176	558,782,345
Trade Receivable	15	203,891,127	234,591,560
Cash and Bank Balances	16	21,530,190	29,350,259
Short-term loans & advances	17	152,413,373	68,777,345
Other current assets	18	807,379	1,091,759
		944,404,245	892,593,268
<b>TOTAL</b>		<b>1,284,712,213</b>	<b>1,228,212,867</b>
Contingent Liabilities & Commitments	[38]		
Significant Accounting Policies and			
Notes on Financial Statements	[1-42]		
<b>AS PER AUDIT REPORT OF OUR EVEN DATE</b>			
<b>For A. Bafna &amp; Co.</b>		<b>For and on behalf of the Board</b>	
<b>Chartered Accountants</b>		<b>Pacific Industries Ltd.</b>	
<b>Firm Reg. No. 003660C</b>			
Sd/-		Sd/-	Sd/-
<b>(Vivek Gupta)</b>		<b>J.P. Agarwal</b>	<b>Kapil Agarwal</b>
<b>Partner</b>		<b>Managing Director</b>	<b>Director</b>
<b>M.No. 400543</b>		<b>DIN: 00386183</b>	<b>DIN: 00386298</b>
		Sd/-	
<b>Place: Udaipur</b>		<b>Khushbu Sethi</b>	
<b>Date: 30.05 2017</b>		<b>Company Secretary</b>	

**PACIFIC INDUSTRIES LIMITED**

Regd. Office : Survey No.13, N.H.48,Kempalinganhalli,Nelamangala Taluk, Distt. Bangalore -562123 (Karnataka)

CIN No.- L14101KA1989PLC062041

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2017**

<b>PARTICULARS</b>	<b>NOTES</b>	<b><u>31.03.2017</u></b>	<b><u>31.03.2016</u></b>
<b><u>Income</u></b>			
Revenue from operations (gross)	19	672,768,220	624,623,974
LESS: Excise Duty		8,746,378	11,357,706
Revenue from operations (Net)		664,021,842	613,266,268
Other Income	20	9,190,748	58,683,629
<b>TOTAL REVENUE</b>		<b>673,212,590</b>	<b>671,949,897</b>
<b>Expenses</b>			
Cost of materials consumed	21	212,842,366	205,360,801
Purchase of Stock in trade	22	36,564,179	33,496,597
(Increase)/Decrease in inventories	23	(6,237,447)	(759,365)
Manufacturing expenses	24	216,036,049	190,644,625
Employee Benefit expenses	25	82,117,473	72,495,411
Finance Cost	26	22,048,591	28,979,761
Other expenses	27	65,366,743	70,486,795
<b>TOTAL EXPENSES</b>		<b>628,737,954</b>	<b>600,704,625</b>
Earnings before Tax and Depreciation		44,474,636	71,245,272
Depreciation/Amortisation expenses	9	36,814,341	55,041,843
Prior period expenses		759,932	630,419
Pre operative expenses written off		4,468,587	4,468,587
Earning Before Tax		2,431,776	11,104,423
Tax expenses of continuing operations			
Current Tax		464,523	2,110,413
MAT Credit Recognized		-	-
Payment of earlier year tax demand		-	-
Profit / (loss) for the period from continuing operations		1,967,253	8,994,010
<b>Profit / (loss) for the period (Profit After Tax )</b>		<b>1,967,253</b>	<b>8,994,010</b>
Basic & Diluted Earning Per Share	[33]	1.46	6.65
Significant Accounting Policies and			
Notes on Financial Statements	[1-42]		

**AS PER OUR AUDIT REPORT OF EVEN DATE**
**For A. Bafna & Co.**
**For and on behalf of the Board**  
**Pacific Industries Ltd.**
**Chartered Accountants**
**Firm Reg. No. 003660C**

Sd/-

**(Vivek Gupta)**
**Partner**
**M.No. 400543**
**Place: Udaipur**
**Date: 30.05 2017**

Sd/-

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

Sd/-

**Khushbu Sethi**  
**Company Secretary**

Sd/-

**Kapil Agarwal**  
**Director**
**DIN: 00386298**

**PACIFIC INDUSTRIES LIMITED**

Regd. Office : Survey No.13, N.H.48,Kempalinganhalli,Nelamangala Taluk, Distt. Bangalore -562123 (Karnataka)

CIN No.- L14101KA1989PLC062041

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2017**

	<b>31st March 2017</b>	<b>31st March 2016</b>
	(In Rupees)	(In Rupees)
<b>Cash Flow From Operating Activities</b>		
Profit Before Tax	2,431,776	11,104,423
Non-Cash Adjustment To Reconcile Profit Before Tax To Net Cash Flows :		
Depreciation/Amortizationon Continuing Operations	36,814,341	55,862,536
Interest Expense	20,202,726	27,050,380
Profit on Sale of Car	(2,071,000)	9,300
Provision for Gratuity	4,123,942	2,115,402
Interest Income	(1,587,496)	(1,925,319)
<b>Operating Profit Before Working Capital Changes</b>	<b>59,914,289</b>	<b>94,216,722</b>
Movements In Working Capital :		
Increase/(Decrease) In Trade Payables	(8,199,321)	(14,750,715)
Increase/(Decrease) In Short Term Provisions	458,775	584,559
Increase/(Decrease) In Other Current Liabilities	22,215,065	(28,777,873)
Decrease/(Increase) In Trade Receivables	30,700,433	(71,850,765)
Decrease/(Increase) In Inventories	(6,979,831)	(21,443,832)
Decrease/(Increase) In Short-Term Loans And Advances	(83,636,028)	10,900,439
Decrease/(Increase) In Other Current Assets	284,388	(297,063)
Cash Generated/(Used In) Operations	14,757,770	(31,418,528)
Direct Taxes Paid	(2,398,846)	8,096,357
<b>Net Cash Flow From/(Used In) Operating Activities (A)</b>	<b>12,358,924</b>	<b>(39,514,885)</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Property,Plant & Equipment	(39,956,939)	(9,539,430)
Decrease/(Increase) In Long-Term Loans And Advances	(1,841,849)	(410,027)
Decrease/(Increase) In Other Non-Current Assets	2,254,789	1,106,449
Proceeds From Sale Of Fixed Assets	2,372,981	1,009,484
Proceeds From Sale Of Investments	(2,260,690)	89,511
Increase in Fixed Deposits	(578,354)	(810,451)
Interest Received	1,587,496	1,925,319
<b>Net Cash Flow From/(Used In) Investing Activities (B)</b>	<b>(38,422,566)</b>	<b>(6,629,145)</b>
<b>Cash Flow From Financing Activities</b>		
(Decrease)/Increase In Long Term Borrowings	37,913,477	80,862,093
(Decrease)/Increase In Short Term Borrowings	(45,532)	(484,448)
Interest Paid	(20,202,726)	(27,050,380)
<b>Net Cash Flow From/(Used In) Financing Activities (C)</b>	<b>17,665,219</b>	<b>53,327,265</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(8,398,423)</b>	<b>7,183,235</b>
Cash and Cash Equivalents at the beginning of the year	17,361,458	10,178,223
<b>Cash and Cash Equivalents at the end of the year</b>	<b>8,963,035</b>	<b>17,361,458</b>

As per our report of even date

For A. Bafna &amp; Company

Chartered Accountants

(FRN 003660C)

Sd/-

(Vivek Gupta)

Partner

M.No. 400543

Date: 30.05.2017

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2017**

	<u>31.03.2017</u>	<u>31.03.2016</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>31.03.2017</u>	<u>31.03.2016</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 31.03.2017**

S.No.	Name Of Shareholder	<u>31.03.2017</u>		<u>31.03.2016</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>31.03.2017</u>	<u>31.03.2016</u>
<b>SURPLUS/PROFIT &amp; LOSS ACCOUNT</b>		
Balance as per last financial statements	602,147,131	593,153,121
Add: Profit for the year	1,967,253	8,994,010
Net Surplus in the statement of Profit & Loss	604,114,384	602,147,131
<b>Total Reserve and Surplus</b>	<b>604,114,384</b>	<b>602,147,131</b>

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

HDFC Bank	130,545	7,467,094
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Term Loan

HDFC Bank	44,407,230	48,921,107
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<b>Net Amount</b>	<b>44,537,775</b>	<b>56,388,201</b>
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Amount Disclosed under the head "Other Current Liabilities	29,838,553	10,453,927
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**Note 3.1**

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

(b) Term loan from HDFC bank carries Interest @ Base Rate+1.65% (Current Base rate is 8.90 %) 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**
**(i) From Related Parties**

(a) From Directors	149,675,738	84,285,293
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(b) From Companies	77,906,537	-
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**(ii) From Other than Related Parties**

(a) From Companies	54,546,211	148,079,290
--------------------	------------	-------------

Securities Deposits from Customers	2,227,587	2,227,587
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<b>TOTAL LONG TERM BORROWINGS</b>	<b>328,893,848</b>	<b>290,980,371</b>
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**NOTE 4 - Long Term Provisions**

Provision for employee benefits		
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Provision for Gratuity	18,770,966	17,537,820
------------------------	------------	------------

	<b>18,770,966</b>	<b>17,537,820</b>
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**NOTE 5 - SHORT TERM BORROWINGS**

Working Capital Loan		
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Foreign Currency Loan	99,565,186	106,779,495
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Buyer Credit	10,130,211	2,961,434
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	<b>109,695,397</b>	<b>109,740,929</b>
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**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 moieties, 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.

**NOTE 6 - TRADE PAYABLES**
**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

**TOTAL TRADE PAYABLES**

<b>31.03.2017</b>	<b>31.03.2016</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 reliable estimated nor can required disclosure be made. Accounting in this regard will be carried out after process is complete and reliable estimate can be made in this regard. Since the Company is regular in making payments to all suppliers, the management does not anticipate any significant interest liability.

**Note 6.2**

Sundry Creditors for others includes Rs.22241243/- (Previous year Rs. 19584655/-) from related parties.

**NOTE 7 - OTHER CURRENT LIABILITIES**

Current maturities of long term borrowings	29,838,553	10,453,927
Interest accrued but not due on borrowings	799,656	892,383
Security Deposits	21,000	1,117,287
Statutory Dues	7,852,280	973,251
Advances from Customers	26,714,116	32,184,542
Other Liabilities	13,327,328	10,716,478

**78,552,933 56,337,868**
**NOTE 8 - SHORT TERM PROVISIONS**

Provision for employee benefits		
Bonus & Ex-gratia	3,710,074	3,705,859
Leave Encashment	3,291,996	2,837,436
Provision for Income Tax	464,523	2,398,846
Provision for Gratuity	2,890,796	-

**10,357,389 8,942,131**
**NOTE 10- NON CURRENT INVESTMENTS**

Non trade		
Investment in Corporate Bodies		
6100 Equity shares of Sattelite Engg. Ltd.	25,071	25,681
of Rs. 10/- each Fully Paid-up		
Less:Provision for Dimunition in value of investment	-	(610)
	25,071	25,071
400 Equity Shares of Federal Bank Ltd.	36,000	36,000
of Rs. 10/- each Fully Paid-up		

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		24000	24,000
120 Equity Shares of Bajaj Finance Ltd. of Rs. 10/- each Fully Paid-up		39,000	39,000
Total Quoted Cost (A)		133,971	133,971
MARKET VALUE OF QUOTED INVESTMENTS (A)		133,971	588,251
National Saving Certificate (Pledge with the Govt.) (B) Face Value		40,400	40,400
Investment in subsidiary companies (C)	1000000.00	2,000,000	-
100000 Shares of Gaze Fashiontrade Ltd of Rs. 10/- each Fully Paid-up			
100000 Shares in Gist Minerals Technologies Ltd of Rs. 10/- each Fully Paid-up	1000000.00		
Other Investments		260,690	-
<b>Aggregate Amount of Total Investment (A+B+C)</b>		<b>2,435,061</b>	<b>174,371</b>
Total Provision For Diminution In Value of Investments			(89,511)
		<b><u>31.03.2017</u></b>	<b><u>31.03.2016</u></b>

**NOTE 11- Deferred Tax Assets (Net)**

NIL

NIL

-

-

**Note 11.1**

The company has substantial amount of brought forward unrecognized MAT credit of Rs. 351.25 Lacs and hence the company is liable to pay only 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**

	<b>31.03.2017</b>	<b>31.03.2016</b>
Unsecured, considered Good		
A) Security Deposits - Unsecured considered good	17,228,213	15,386,364
	<b>17,228,213</b>	<b>15,386,364</b>

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

Pre- operative expenses	5,510,337	8,681,014
Mining Development Expencess	4,514,884	3,598,996
	<b>10,025,221</b>	<b>12,280,010</b>

**NOTE 14 - INVENTORIES**

(As taken ,valued &amp; certified by the management)

A) Raw Material	157,710,194	161,770,302
B) Work In Process	15,455,845	30,563,207
C) Finished Goods	329,510,742	307,463,527
E) Consumables, Stores & Spares	52,179,455	50,123,684
F) Scrap	10,905,940	8,861,625
	<b>565,762,176</b>	<b>558,782,345</b>

**NOTE 14.1 - PARTICULARS OF INVENTORY**

Particulars	Closing Inventory	Opening Inventory
Manufactured Goods		
Granite Slabs		
Polished	321,317,811	300,385,883
Cut To Size	1,329,070	1,329,070
Blocks	6,659,211	5,543,924
Marble Slabs		
Natural Sandstone		
Polished	204,650	204,650
<b>Total</b>	<b>329,510,742</b>	<b>307,463,527</b>

**WIP**

	Closing WIP	Opening WIP
Granite Slabs	1,54,55,845	3,05,63,207
<b>Total</b>	<b>1,54,55,845</b>	<b>3,05,63,207</b>



<b>NOTE 15 - TRADE RECEIVABLES</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Unsecured, Considered Good		
A) Trade Receivables Outstanding for more than six months	91,644,927	84,015,795
B) Trade Receivables (Others)	112,246,200	150,575,765
	<b>203,891,127</b>	<b>234,591,560</b>

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

<b>NOTE 16 - Cash &amp; Bank Balances</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
A) Cash & Cash Equivalents		
Cash On Hand	3,280,423	5,526,752
Balances with Banks		
- Current Account	5,682,612	11,834,706
B) Other Bank Balances (More Than 3 Months)		
FDRs with Bank	12,567,155	11,988,801
	<b>21,530,190</b>	<b>29,350,259</b>

**Note : 16.1** FDR's includes Deposits which are pledged against BG/LC Rs. 125,67,155 (Previous Year Rs. 119,88,801)

<b>NOTE 17 - SHORT TERM LOAN AND ADVANCES</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
<b>UNSECURED, CONSIDERED GOOD</b>		
Advances Recoverable in Cash or Kind		
Advances To Subsidiaries	85,481,520	-
Cenvat & Input Tax Credit	12,192,697	15,333,383
Advances To Vendors	34,620,025	37,793,768
Advances To Others	9,026,646	6,804,127
Advances Against expense	1,801,962	942,308
TDS/TCS Receivable	2,185,653	1,030,229
Advance Income Tax	-	600,000
Service Tax Receivable	76,280	91,245
Security Deposits, consider good (Current Portion)	7,028,590	6,182,285
	<b>152,413,373</b>	<b>68,777,345</b>

**Note : 17.1** Advances To Others includes Rs. 8,15,070- (Previous Year Rs. 34,45,501/- ) with Related Parties.

**NOTE 18- OTHER CURRENT ASSETS**

	31.03.2017	31.03.2016
Prepaid expenses	425,772	591,520
Accrued Interest	381,607	381,608
Investment in shares	-	118,631
	<b>807,379</b>	<b>1,091,759</b>

**NOTE 19 - REVENUE FROM OPERATIONS**

	31.03.2017	31.03.2016
Sale of Product		
Granite and Other Products	614,361,994	609,107,969
Other operating revenue		
Scrape Sale	-	878,994
Commission income	39,767,900	355,360
Interest Income	1,587,496	1,925,319
CST/Service Tax Refund	447,310	512,440
Compensation	8,861,590	3,735,520
Discount Received	163,000	109,476
Duty Drawback/Export Incentives	418,203	177,224
Exchange Rate Fluctuation	7,160,727	7,821,672
Revenue from operations (gross)	672,768,220	624,623,974
LESS: Excise Duty	8,746,378	11,357,706
<b>Revenue from operations (Net)</b>	<b>664,021,842</b>	<b>613,266,268</b>

**NOTE 20 - OTHER INCOME**

	31.03.2017	31.03.2016
Profit on Sales of Assets	2,071,000	9,300
Other Non-Operating Income (Net of Expenses)		
Dividend Received	-	540
Misc. Balances Written-Off	7,119,748	58,561,583
Profit on Sales of shares	-	112,206
	<b>9,190,748</b>	<b>58,683,629</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**

	31.03.2017	31.03.2016
Opening Stock	161,770,302	153,457,205
Add: Purchases Less Returns	208,782,258	213,673,898
Less: Closing Stock	157,710,194	161,770,302
	<b>212,842,366</b>	<b>205,360,801</b>

**NOTE 21.1 - PARTICULARS OF RAW MATERIALS CONSUMED**

Granite Block	212,842,366	205,360,801
Total	<b>212,842,366</b>	<b>205,360,801</b>

**NOTE 22 - PURCHASE OF STOCK IN TRADE**

	<b>31.03.2017</b>	<b>31.03.2016</b>
Trading Purchase	36,564,179	33,496,597
	<b>36,564,179</b>	<b>33,496,597</b>

**NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS , WIP & Scrape**

	<b>31.03.2017</b>	<b>31.03.2016</b>
Opening 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
	<b>346,888,359</b>	<b>346,128,994</b>
Less : Closing Stock		
Work in Process	15,455,845	30,563,207
Finished Goods	328,181,672	307,463,527
Scraps	9,488,289	8,861,625
	<b>353,125,806</b>	<b>346,888,359</b>
(Increase)/Decrease	<b>(6,237,447)</b>	<b>(759,365)</b>

**NOTE 24 - MANUFACTURING EXPENSES**

	<b>31.03.2017</b>	<b>31.03.2016</b>
Consumption of Stores, Spares & Consumables	155,428,086	135,673,056
Power & Fuel Expenses	53,147,273	47,752,838
Entry Tax	1,292,064	918,183
Factory Expenses	1,394,625	1,942,053
Freight Charges	204,820	299,631
Royalty Expenses	162,660	225,698
Slurry & Trans. Expenses	3,570,650	2,959,456
Repairs & Maintenance		
- Plant & Machineries	794,871	856,531
- Building	41,000	17,179
	<b>216,036,049</b>	<b>190,644,625</b>

**NOTE 25 - EMPLOYEE BENEFITS EXPENSES**

	<b>31.03.2017</b>	<b>31.03.2016</b>
Factory Wages & Allowances	31,654,683	25,279,106
Salary & Allowances	24,664,745	24,186,788

Director's Remuneration	4,800,000	4,800,000
Staff & Labour Welfare Expenses	4,841,156	4,853,112
Contribution to PF, ESI, Gratuity Fund etc.	16,156,889	13,376,405

	<b>82,117,473</b>	<b>72,495,411</b>
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**NOTE 25.1 Disclosure in term of AS-15 are as under:-**

Particulars	2016-17	2015-16
Change in present value of the defined benefit obligation		
Opening Defined benefit obligation at 1st April	17,537,820	15,422,418
Current Service Cost	1,422,358	1,319,441
Interest Cost	1,278,187	1,202,949
Actuarial(Gains)/Losses	1,464,580	178,395
Benefit Paid	(41,183)	(585,383)
Closing Defined benefit Obligation at 31st march	21,661,762	17,537,820

**Change in Plan Assets**

Opening fair value of Plan asset at 1st April	-	-
Expected return on plan assets	-	-
Contributions by Employer	-	-
benefits paid	-	-
Closing fair value of plan assets at 31st March	-	-

**Reconciliation of the present value of the obligation and fair value of the plan assets**

Present value of funded obligation at 31st March	21,661,762	17,537,820
Fair Value of Plan Assets at 31st March	-	-
Surplus/(Deficit)	21,661,762	17,537,820
Unrecognised Past Service Cost	-	-
Net Asset/(Liability)	<b>(21,661,762)</b>	<b>(17,537,820)</b>

**Principal Acturial Assumptions**

Discount Rate	7.25%	7.90%
Expected Rate of Return	NA	NA
Salary Escalation	6.00%	6.00%

**NOTE 26 - FINANCE COSTS**

Interest On Vehicle loan	6,913,295	956,405
Interest On Unsecured Loan	9,695,057	15,342,842
Interest On Term loan	2,582,707	7,854,202
Interest On PCFC	1,005,697	2,896,931

Interest On TDS	5,970	115,555
Bank Charges	1,845,865	1,813,826
	<b>22,048,591</b>	<b>28,979,761</b>

**31.03.2017      31.03.2016**

## **NOTE 27 - OTHER EXPENSES**

### **A) ADMINISTRATIVE EXPENSES**

AGM Expenses	10,352	70,522
Advertisement exp	65,640	74,600
Auditor's Remuneration	287,500	286,250
Auditor's Expenses & Reimbursement	130,547	277,955
Boarding & Lodging Exp	528,319	548,587
Books & Periodicals	17,780	26,880
Business & Guest Expenses	612,166	340,702
container driver exp	171,870	173,606
Computer Exp.	-	701,028
Conveyance Expense	674,333	745,981
Custody Charges	73,878	13,502
Dead Rent (Mines)	120,000	118,200
Deduction on CST/VAT/Service Tax Refund	432,216	323,896
Penalty	200,233	388,678
Demand	575,233	349,654
Director's Travelling Expenses	1,288,135	4,403,467
Diwali Expenses	426,302	195,759
Donation	35,000	31,600
Foreign Exchange Fluctuation	2,995,533	6,727,636
Fees, Subscription & Membership	1,579,522	1,350,303
Festival & Pooja Expenses	48,626	343,819
CSR expenses	1,062,335	2,135,877
Garden Maintenance	15,063	19,896
Guest House Expenses	-	198,632
Insurance Expenses	1,002,841	974,078
Internet Expenses	83,282	53,487
Legal Expenses	24,387	428,314
Listing Fees	229,000	224,720
Light & Water	9,994	8,074
Medical Expenses	38,314	36,361
Mines Expenses	-	32,250
Miscellaneous Exp	134,630	130,857
Office Expenses	485,834	525,102
Postage & Courier	934,690	1,444,995
Professional Charges	1,657,764	864,917
Provision for Diminution of Investment	16,393	89,511

Printing & Stationery	723,133	1,043,958
Rates & Taxes	206,703	66,353
Recruitment & Training	1,160	14,911
Income tax expenses	150,576	35,160
Misc balance w/off	346,284	-
Telephone Expenses	1,946,029	1,746,083
Travelling Expenses	3,013,713	2,307,852
Typing & Photocopy Expenses	39,965	29,047
Vehicle Exp - Repairs & Maintenance	3,740,729	4,109,382
Repair & Maintenance Others	197,514	133,737
Share Transfer Expense	13,816	11,236
Security Service Charges	2,429,676	2,076,256
Xerox M/C Hiring Charges	50,560	55,379
Loss on Sale of assets	1,981	-
	<b>29,530,579</b>	<b>36,007,050</b>

**B) SELLING & DISTRIBUTION EXPENSES**

Advertisement Expenses	191,461	128,259
Commission & Brokerage	735,306	-
Discount on Sales	806,405	1,559,145
Exhibition Expenses	1,952,790	2,970,021
Freight & Forwarding	31,743,705	29,193,888
Insurance - Marine	271,987	286,080
Analysis and testing expense	-	21,070
Loading Expenses	300	-
Sales Promotion Expenses	134,210	487,937
Royalty Expenses on Sales	-	28,986
Service tax expenses	-	(195,641)
	<b>35,836,164</b>	<b>34,479,745</b>

**TOTAL**
**65,366,743 70,486,795**
**NOTE 28 - Value of Imported & Indigenous Material**

	<b>31.03.2017</b>		<b>31.03.2016</b>	
	Amount	% of Consumption	Amount	% of Consumption
Raw Materials				
Imported	22,692,945	10.66	27,432,707	13.36
Indigenous	190,149,421	89.34	177,928,094	86.64
<b>Total</b>	<b>212,842,366</b>	<b>100.00</b>	<b>205,360,801</b>	<b>100.00</b>

Stores, Spares & Consumables				
Imported	95,987,638	61.76	109,940,808	62.35
Indigenous	59,440,448	38.24	66,400,514	37.65
<b>Total</b>	<b>155,428,086</b>	<b>100.00</b>	<b>176,341,321</b>	<b>100.00</b>

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

(A) Raw Materials		32,396,609	27,018,627
(B) Stores, Spares & Consumables		86,853,801	
(C) Capital Goods		-	39,097,897
<b>Total</b>		<b>119,250,410</b>	<b>141,362,362</b>

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

Audit Fee ( Including Service Tax)	242,500	241,250
Limited review	45,000	45,000
	<b>287,500</b>	<b>286,250</b>

**NOTE 31 - Expenditure in Foreign Currency**

	1,952,790	2,970,021
Exhibition expenses		
	<b>1,952,790</b>	<b>2,970,021</b>

**NOTE 32 - Earnings in Foreign Exchange**

		524,789,885
		<b>524,789,885</b>
FOB Value of Exports	543,911,208	522,144,280
	<b>543,911,208</b>	<b>522,144,280</b>

**NOTE 33 - Earnings Per Share**

No. of Equity Shares (Weighted Average)	1,351,500	1,351,500
Profit After Tax	1,967,253	8,994,010
Earnings Per Share (Basic & Dilutive)	<b>1.46</b>	<b>6.65</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.

	31.03.2017	31.03.2016
1. Segment Revenue		
A.Marble & Granites	6232.66	6,452.85
B.Trading(other than Marble & Granite)	499.46	266.65
<b>Revenue From Operations(Including Other Income)</b>	<b>6732.12</b>	<b>6719.50</b>
2. Segment Results		
Profit/Loss Before Charging Unallocable Expenditures		
A.Marble & Granites	-178.69	247.94
B.Trading(other than Marble & Granite)	405.04	134.76
Unallocable Expenses (Tax)	206.68	292.76
Net Result	19.67	89.94
3. Segment Wise Capital Employed(Segment Assets-Segment Liabilities)		
A.Marble & Granites	6037.17	9132.41
B.Trading(other than Marble & Granite)	139.12	109.40

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

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

Radhika Vyapaar Pvt Ltd

Gaze Fashiontrade Ltd

Gist Minerals Technologies Ltd

Saha Coloured & Flavour Spirit Manufacturer Private Limited



Particulars	Referred in (a) Above (Rs. in Lacs)	
	2016-17	2015-16
Purchases	0.00	0.00
Purchase of Fixed Assets	0.00	0.00
Sales	0.00	0.00
Salary	0.00	0.00
Investments in Share Capital	20.00	0.00
Payables/(Advance)	0.00	0.00
Loan Outstanding as on 31 - March(Liabilities)	779.07	0.00

**(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  
Sarita Agarwal  
Shruti Agarwal

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

Geetanjali Marble  
Geetanjali University  
Krishna Marble  
Ojaswi Marbles & Granites Pvt.  
Limited  
Pacific Export  
Pacific Leasing And Research Pvt.  
Limited  
Rahul Marbles Private Limited  
Shruti Synthtics Ltd.  
Yash processors pvt ltd  
Trinity Infopark Private Limited

Particulars	Referred in (a)		Referred in (b)		Referred in (c)	
	Above (Rs. in Lacs)		Above (Rs. in Lacs)		Above (Rs. in Lacs)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Purchases	0.00	0.00	0.00	0.00	321.51	50.27
Purchase of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
Sales	0.00	0.00	0.00	0.00	27.32	28.75
Salary	48.00	48.00	0.00	0.00	0.00	0.00
Payables/(Advance)	0.00	0.00	-5.95	0.00	222.67	191.64
Loan Outstanding as on 31 - March(Liabilities)	1496.76	842.85	0.00	0.00	0.00	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.
- VII. The company has a total demand of Rs. 78.39 lacs of Custom Duty out of which the company has deposited Rs. 5.88 Lacs under protest 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 Cash Transaction in Specified Bank Notes for the period 08.11.2016 to 30.12.2016**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	6475000	763449	7238449
(+) Permitted receipts/Amount Withdrawl from Bank	0	1680831	1680831
(-) Permitted payments	25000	1972156	1997156
(-) Amount deposited in Banks	6450000	0	6450000
Closing cash in hand as on 30.12.2016	<b>0</b>	<b>472124</b>	<b>472124</b>

**NOTE 40-** The Provision of Section 135 of the Companies Act, 2013 are applicable to the Company. Accordingly, the Company has incurred Rs. 10.62 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 41** - Previous years figures have been regrouped and rearranged wherever considered necessary.

**NOTE 42** - Figures are rounded off to the nearest rupees.

**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**

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

**Place: Udaipur**  
**Date: 30.05.2017**

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

PACIFIC INDUSTRIES LTD										
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2017										
NOTE 9 - Fixed Assets A. Tangible Assets Particulars	As at 01.04.2016	Gross Block		As At 31.03.2017	Upto 31.03.2016	For the period	Depreciation for Depreciation Reserve on Sale/discard of Fixed Asset	Upto 31.03.2017	As At 31.03.2017	Net Block As At
		Addition	Deduction							
Land	32,981,871	-	-	32,981,871	-	-	-	-	32,981,871	32,981,871
Building	163,050,656	101,840	-	163,152,496	59,325,134	7,704,624	-	67,029,758	96,122,801	103,725,522
Plant & Machinery	707,707,852	4,533,141	5,700,000	706,540,993	575,015,638	19,236,377	5,415,000	588,837,015	117,703,978	132,692,214
Furniture & Fixture	12,560,116	249,866	-	12,809,982	7,129,096	1,649,146	-	8,778,241	4,031,741	5,431,020
Computer	5,241,695	384,649	-	5,626,344	4,418,329	340,917	-	4,759,245	867,099	823,366
Vehicle	59,177,220	1,612,097	55,500	60,733,817	41,658,469	5,926,544	38,519	47,546,494	13,187,323	17,518,751
Mining Equipment	120,504,305	-	-	120,504,305	108,942,727	1,953,938	-	110,896,665	9,607,640	11,561,578
<b>Total - A</b>	<b>1,101,223,716</b>	<b>6,881,593</b>	<b>5,755,500</b>	<b>1,102,349,808</b>	<b>796,489,393</b>	<b>36,811,544</b>	<b>5,453,519</b>	<b>827,847,418</b>	<b>274,502,453</b>	<b>304,734,323</b>
B. Intangible Assets										
Intangible Assets	37,950	-	-	37,950	31,713	2,797	-	34,510	3,440	6,237
<b>Total - B</b>	<b>37,950</b>	<b>-</b>	<b>-</b>	<b>37,950</b>	<b>31,713</b>	<b>2,797</b>	<b>-</b>	<b>34,510</b>	<b>3,440</b>	<b>6,237</b>
C. Capital Work In Progress										
CWIP	3,038,295	36,132,819	3,057,534	36,113,580	-	-	-	-	36,113,580	3,038,295
<b>Total - C</b>	<b>3,038,295</b>	<b>36,132,819</b>	<b>3,057,534</b>	<b>36,113,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,113,580</b>	<b>3,038,295</b>
"Grand Total (A+B+C)"	1,104,299,960	43,014,412	8,813,034	1,138,501,338	796,521,106	36,814,341	5,453,519	827,881,928	310,619,473	307,778,854

## PACIFIC INDUSTRIES LIMITED

### Corporate information

“Pacific Industries Limited” is a public Limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is engaged in manufacturing of Granites & Marble Slabs and also trading in other goods.

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

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

**(2) Use of Estimates :**

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

**(3) Revenue Recognition:**

- (i) Revenue in respect of sales of goods is recognized at the point of dispatch/ passage of title of goods to the customer. Sales are net of excise duty and sales tax.
- (ii) Insurance and other claims being unascertained are accounted on receipt basis.

**(4) Fixed Assets:**

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

**(5) Depreciation :**

Depreciation on Fixed Assets has been calculated on the basis of useful life of assets prescribed as per schedule II of the Companies Act 2013. Further the depreciation on addition made during the year has been provided on a pro-rata basis.

**(6) Impairment of Assets :**

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

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

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

**(7) Investment:**

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

**(8) Export Incentive:**

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

**(9) Employee Benefits:**

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

**(10) Inventories:**

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

**(11) Foreign Currency Transactions:**

- (i) Foreign Currency transactions are accounted for at the exchange rate prevailing on the date of such transaction, where such transactions are not covered by

forward contracts. Gains/ Losses arising out of the fluctuation in the exchange rate are accounted at the year end or on realization.

- (ii) Current assets & liabilities are translated at year-end rate. Exchange fluctuation, if any, are adjusted in profit and loss account (except related to fixed assets) during the year and the related current assets and liabilities accordingly restated in the balance sheet.
- (iii) In respect of foreign currency taken for acquisition of fixed assets, any fluctuation arising due to such transactions are adjusted in the cost of the respective fixed assets.

**(12) Taxation**

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

**(13) Contingent Liabilities:**

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

**(14) Segment Report**

The Company has considered business segments as the primary segments for disclosure. The business segments are 'Marble and Granite' and 'Trading'.



## Independent Auditor's Report On Consolidated Financial Statements

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

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Pacific Industries Limited (hereinafter referred to as 'the Holding Company' or 'the Company'), comprising the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Company and its subsidiaries and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 there under.

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 consolidated 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 and presentation of the consolidated 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 consolidated 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 consolidated financial statements.

We did not audit financial statement of all the subsidiaries, whose financial statements/ Consolidated financial statements, reflect total assets of Rs 29271.68 Lacs as at March 31, 2017 and total revenue of Rs. 3899.87 Lacs for the year then ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose audit report have been furnished to us and our opinion on the statement to the extent they have derived from such financial statements is based solely on the reports of such other auditors.

#### **Basis for Qualified Opinion**

- A) Refer Note no. 37 in Notes on Consolidated 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 consolidated 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 consolidated state of affairs of the Company as at March 31, 2017 and the consolidated profit and its consolidated cash flows for the year ended on that date.

**Report on Other Legal & Regulatory Requirement**

1. The report does not include a statement on the matters specified in paragraph 3 & 4 of the companies (Auditor`s Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, since in our opinion and according to the information and explanations given to us the said order is not applicable to the presentation of Consolidated Financial Statements.
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 consolidated 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 of the Company as on March 31, 2017, taken on record by the Board of Directors of the Company and the reports of the auditors of its subsidiaries companies incorporated in India, none of the Directors of the Company and its subsidiaries, incorporated in India is disqualified as on March 31, 2017 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 I and
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on the consolidated financial position of the company in its consolidated financial statements as of March 31, 2017. Refer note no. 38 of the

Consolidated Financial Statements.

- (ii) The Company and its Subsidiaries did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
- (iv) The Parent has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and other auditors by the Management of the respective Group entities.

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

**Sd/-**  
**(VIVEK GUPTA)**  
**Partner**  
**M.No. 400543**  
**Place: Jaipur**  
**Date : 30.05.2017**

**PACIFIC INDUSTRIES LIMITED**

Regd. Office : Survey No.13, N.H.48,Kempalinganhalli,Nelamangala Taluk, Distt. Bangalore -562123  
(Karnataka)

CIN No.- L14101KA1989PLC062041

**CONSOLIDATED BALANCE SHEET AS ON 31.03.2017**

		(In Rupees) 31.03.2017
PARTICULARS	NOTES	
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>SHAREHOLDERS' FUNDS</b>		
Share Capital	1	13,515,000
Reserves & Surplus	2	3,090,310,741
		<b>3,103,825,741</b>
<b>NON CURRENT LIABILITIES</b>		
Long-Term Borrowings	3	250,987,311
Long Term Provision	4	18,770,966
		<b>269,758,277</b>
<b>CURRENT LIABILITIES</b>		
Short Term Borrowings	5	109,695,397
Trade Payable	6	413,116,996
Other Current Liabilities	7	112,002,409
Short Term Provision	8	11,789,822
		<b>646,604,624</b>
<b>TOTAL</b>		<b>4,020,188,642</b>
<b><u>ASSETS</u></b>		
<b>NON CURRENT ASSETS</b>		
Property,Plant & Equipment	9	
Tangible Assets		274,502,453
Intangible Assets		3,440
Capital WIP		36,113,580
Non-Current Investments	10	487,494,311
Deferred Tax Assets (Net)	11	-
Long-Term loans and advances	12	268,102,433
Other Non Current Assets	13	10,109,437
		<b>1,076,325,654</b>
<b>CURRENT ASSETS</b>		
Inventories	14	596,584,698
Trade Receivable	15	475,447,126
Cash and Bank Balances	16	48,355,884
Short-term loans & advances	17	731,368,112
Other current assets	18	1,092,107,168
		<b>2,943,862,988</b>
<b>TOTAL</b>		<b>4,020,188,642</b>
Contingent Liabilities & Commitments	[38]	
Significant Accounting Policies and		
Notes on Financial Statements	[1-41]	
<b>AS PER AUDIT REPORT OF OUR EVEN DATE</b>		
<b>For A. Bafna &amp; Co.</b>		
<b>Chartered Accountants</b>		
<b>Firm Reg. No. 003660C</b>		
<b>Sd/-</b>		
<b>(Vivek Gupta)</b>		
<b>Partner</b>		
<b>M.No. 400543</b>		
<b>Place: Udaipur</b>		
<b>Date: 30/05/2017</b>		
<b>For and on behalf of the Board</b>		
<b>Pacific Industries Ltd.</b>		
<b>Sd/-</b>		
<b>J.P. Agarwal</b>		
<b>Managing Director</b>		
<b>DIN: 00386183</b>		
<b>Sd/-</b>		
<b>Kapil Agarwal</b>		
<b>Director &amp; CFO</b>		
<b>DIN: 00386298</b>		
<b>Sd/-</b>		
<b>Khushbu Sethi</b>		
<b>Company Secretary</b>		

**PACIFIC INDUSTRIES LIMITED**

Regd. Office : Survey No.13, N.H.48, Kempalinganhalli, Nelamangala Taluk, Distt. Bangalore -562123  
(Karnataka)

CIN No.- L14101KA1989PLC062041

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31.03.2017**

		(In Rupees)
PARTICULARS	NOTES	<u>31.03.2017</u>
<b><u>Income</u></b>		
Revenue from operations (gross)	19	1,054,491,772
LESS: Excise Duty		8,746,378
Revenue from operations (Net)		1,045,745,394
Other Income	20	9,259,048
<b>TOTAL REVENUE</b>		<b>1,055,004,442</b>
<b><u>Expenses</u></b>		
Cost of materials consumed	21	212,842,366
Purchase of Stock in trade	22	425,396,025
(Increase)/Decrease in inventories	23	(37,059,969)
Manufacturing expenses	24	216,036,049
Employee Benefit expenses	25	82,117,473
Finance Cost	26	13,853,518
Other expenses	27	94,545,304
<b>TOTAL EXPENSES</b>		<b>1,007,730,766</b>
<b>Earnings before Tax and Depreciation</b>		<b>47,273,676</b>
Depreciation/Amortisation expenses	9	36,814,341
Prior period expenses		759,932
Pre operative expenses written off		4,468,587
<b>Earning Before Tax</b>		<b>5,230,816</b>
<b><u>Tax expenses of continuing operations</u></b>		
Current Tax		1,401,285
MAT Credit Recognized		-
Payment of earlier year tax demand		-
Profit / (loss) for the period from continuing operations		3,829,531
<b>Profit / (loss) for the period (Profit After Tax )</b>		<b>3,829,531</b>
<b>Basic &amp; Diluted Earning Per Share</b>	<b>[33]</b>	<b>2.83</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: 30/05/2017**

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

Sd/-

**J.P. Agarwal**  
**Managing Director**

**DIN: 00386183**

Sd/-

**Kapil Agarwal**  
**Director & CFO**

**DIN: 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**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	<b>31st March 2017</b>
	(In Rupees)
<b><u>Cash Flow From Operating Activities</u></b>	
Profit Before Tax	5,230,816
<b>Non-Cash Adjustment To Reconcile Profit Before Tax To Net Cash Flows :</b>	
Depreciation/Amortization on Continuing Operations	36,814,341
Priliminary Expense Written Off	19,000
Interest Expense	12,007,653
Profit on Sale of Car	(2,071,000)
Provision for Gratuity	4,123,942
Interest Income	(46,600,226)
<b>Operating Profit Before Working Capital Changes</b>	<b>9,524,526</b>
<b>Movements In Working Capital :</b>	
Increase/(Decrease) In Trade Payables	(187,558,264)
Increase/(Decrease) In Short Term Provisions	969,793
Increase/(Decrease) In Other Current Liabilities	26,813,341
Decrease/(Increase) In Trade Receivables	211,267,251
Decrease/(Increase) In Inventories	(6,979,831)
Decrease/(Increase) In Short-Term Loans And Advances	(174,812,330)
Decrease/(Increase) In Other Current Assets	(1,116,766,348)
<b>Cash Generated/(Used In) Operations</b>	<b>(1,237,541,862)</b>
Direct Taxes Paid	(3,335,608)
<b>Net Cash Flow From/(Used In) Operating Activities (A)</b>	<b>(1,240,877,470)</b>
<b><u>Cash Flow From Investing Activities</u></b>	
Purchase of Property, Plant & Equipment	(39,956,939)
Decrease/(Increase) In Long-Term Loans And Advances	4,733,534
Decrease/(Increase) In Other Non-Current Assets	2,254,789
Proceeds From Sale Of Property, Plant & Equipment	2,372,981
Proceeds From Sale Of Investments	1,216,728,660
Increase in Fixed Deposits	(578,354)
Interest Received	46,600,226
<b>Net Cash Flow From/(Used In) Investing Activities (B)</b>	<b>1,232,154,897</b>
<b><u>Cash Flow From Financing Activities</u></b>	
(Decrease)/Increase In Long Term Borrowings	37,913,477
(Decrease)/Increase In Short Term Borrowings	(45,532)
(Decrease)/Increase In Other Non Current Liabilities	-
Interest Paid	(12,007,653)
<b>Net Cash Flow From/(Used In) Financing Activities (C)</b>	<b>25,860,292</b>
Net increase/(decrease) in cash and cash equivalents ( A+B+C )	17,137,719
Cash and Cash Equivalents at the beginning of the year	18,651,010
<b>Cash and Cash Equivalents at the close of the year</b>	<b>35,788,729</b>

As per our report of even date

For A. Bafna & Company

Chartered Accountants

(FRN 003660C)

(Vivek Gupta)

Partner

M.No. 400543

Place: Udaipur

Date: 30/05/2017

J.P. Agarwal  
Managing Director  
DIN: 00386183

Kapil Agarwal  
Director & CFO  
DIN: 00386298

Khushbu Sethi  
Company Secretary

**PACIFIC INDUSTRIES LIMITED**  
**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31.03.2017**

**NOTE 1 - SHARE CAPITAL** **31.03.2017**

**AUTHORISED SHARE CAPITAL**

25000000 Equity Shares @ Rs. 10 each 250,000,000

**ISSUED ,SUBSCRIBED & PAID UP**

**CAPITAL**

1351500 Equity Shares of Rs. 10 each 13,515,000

**13,515,000**

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

**Equity Shares** **31.03.2017**

At the beginning of the Period 1,351,500

Add:- Issued during the Period -

Outstanding at the end of the period **1,351,500**

**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 31.03.2017**

S.No.	Name Of Shareholder	<b><u>31.03.2017</u></b>
		<div style="display: flex; justify-content: space-between;"> <div><b><u>No. of Shares</u></b></div> <div><b><u>% of Shareholding</u></b></div> </div>
1	GEETA DEVI AGARWAL	<div style="display: flex; justify-content: space-between;"> <div>190,421</div> <div>14.09%</div> </div>
2	KAPIL AGARWAL	<div style="display: flex; justify-content: space-between;"> <div>135,635</div> <div>10.04%</div> </div>

**NOTE 2 - RESERVE AND SURPLUS/Capital Reserve** **31.03.2017**

**SURPLUS/PROFIT & LOSS ACCOUNT**

Balance as per last financial statements 602,147,122

Capital Reserve on Consolidation 2,484,334,088

Add: Profit for the year 3,829,531

**Net Surplus in the statement of Profit & Loss** **3,090,310,741**

**Total Reserve and Surplus** **3,090,310,741**



**NOTE 3 - LONG TERM BORROWINGS**
**31.03.2017**
**A) SECURED LOANS**
Vehicle Loan

HDFC Bank 130,545

Term Loan

HDFC Bank 44,407,230

**Net Amount 44,537,775**

Amount Disclosed under the head "Other Current Liabilities" 29,838,553

**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+1.65% (Current Base rate is 8.90 %) 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**

## (i) From Related Parties

(a) From Directors 149,675,738

## (ii) From Other than Related Parties

(a) From Companies 54,546,211

Securities Deposits from Customers 2,227,587

**TOTAL LONG TERM BORROWINGS 250,987,311**
**NOTE 4 - Long Term Provisions**
Provision for employee benefits

Provision for Gratuity 18,770,966

**18,770,966**
**NOTE 5 - SHORT TERM BORROWINGS**
Working Capital Loan

Foreign Currency Loan 99,565,186

Buyer Credit 10,130,211

**109,695,397**

**Note 5.1**

The above loan from HDFC Bank which carries Interest @ LIBOR+200 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, equitable mortgage of properties & 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.

**NOTE 6 - TRADE PAYABLES**
**Sundry Creditors**

For Material	204,142,338
For Expenses	11,637,805
For Others	197,336,853

<b>TOTAL TRADE PAYABLES</b>	<b>413,116,996</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 7 - OTHER CURRENT LIABILITIES**

Current maturities of long term borrowings	29,838,553
Interest accrued but not due on borrowings	799,656
Security Deposits	21,000
Statutory Dues	7,852,280
Advances from Customers	26,714,116
Other Liabilities	46,776,804

**112,002,409**
**NOTE 8 - SHORT TERM PROVISIONS**
**Provision for employee benefits**

Bonus & Ex-gratia	3,710,074
Leave Encashment	3,291,996
Provision for Income Tax	1,896,956
Provision for Gratuity	2,890,796
	<b>11,789,822</b>

**NOTE 10- NON CURRENT INVESTMENTS**

31.03.2017

**Non trade**
**Investment in Corporate Bodies- Quoted**

6100 Equity shares of Sattelite Engg. Ltd. of Rs. 10/- each Fully Paid-up	25,071
Less:Provision for Dimunition in value of investment	-

**25,071**

400 Equity Shares of Federal Bank Ltd. of Rs. 10/- each Fully Paid-up	36,000
--	--------

100 Equity Shares of Liberty Shoes Ltd. of Rs. 10/- each Fully Paid-up	9,900
---	-------

2400 Equity Shares of Bharat Immunologicals Biologicals Corporation Limited of Rs. 10/- each Fully Paid-up	24,000
--	--------

120 Equity Shares of Bajaj Finance Ltd. of Rs. 10/- each Fully Paid-up	39,000
---	--------

**MARKET VALUE OF QUOTED INVESTMENTS (A)**

133,971

**Investment in Corporate Bodies- Unquoted**

87700 Equity Shares of Ruby Infratech Pvt Ltd of Rs. 10/- each Fully Paid-up	877,000
---	---------

99800 Equity Shares of Vighnaharta Vincom Pvt Ltd of Rs. 10/- each Fully Paid-up	998,000
---	---------

74875 Equity Shares of Divya Finlease Pvt Ltd of Rs. 10/- each Fully Paid-up	748,750
---	---------

96500 Equity Shares of Delite Buildpro Pvt Ltd of Rs. 10/- each Fully Paid-up	965,000
--	---------

98500 Equity Shares in Deccan Buildwell Pvt Ltd of Rs. 10/- each Fully Paid-up	985,000
---	---------

65135 Equity Shares of Shephali Hotels and Resort P Ltd of Rs. 10/- each Fully Paid-up	651,350
---	---------

284234.150 Class D units of Next Orbit RE Scheme I Issued by Next Orbit Venture Fund	284,234,150
---	-------------

**Preference Shares**

26000000 CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("CRPS")of Ojaswi Marbles and Granites Private Limited @ Rs 76/- each	197,600,000
---	-------------

**487,059,250**

**VALUE OF UNQUOTED INVESTMENTS (B)**
**National Saving Certificate (Pledge with the Govt.) (C)** **40,400**

Face Value

**Other Investments (D)** **260,690**
**Aggregate Amount of Total Investment (A+B+C+D)** **487,494,311**
**NOTE 11- Deferred Tax Assets (Net)** **NIL**

Note 11.1 The company has substantial amount of brought forward unrecognized MAT credit of Rs. 351.25 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** **31.03.2017**

Unsecured, considered Good

Security Deposits - Unsecured considered good **17,228,213**

Other Advances **250,874,220**
**268,102,433**
**NOTE 13 - OTHER NON-CURRENT ASSET**

Pre- operative expenses **5,594,553**

Mining Development Expencess **4,514,884**
**10,109,437**
**31.03.2017**
**NOTE 14 - INVENTORIES**

(As taken ,valued &amp; certified by the management)

A) Raw Material **157,710,194**

B) Work In Process **15,455,845**

C) Finished Goods **360,333,264**

E) Consumables, Stores & Spares **52,179,455**

F) Scrap **10,905,940**
**596,584,698**

**NOTE 14.1 - PARTICULARS OF INVENTORY**
**31.03.2017**

Particulars

Closing  
Inventory

Manufactured Goods

Granite Slabs

Polished

321,317,811

Cut To Size

1,329,070

Blocks

6,659,211

Marble Slabs

Natural Sandstone

Polished

204,650

Shares

30,822,522

**Total**
**360,333,264**

WIP

Closing

WIP

Granite Slabs

15,455,845

**Total**
**15,455,845**
**NOTE 15 - TRADE RECEIVABLES**
**31.03.2017**
*Unsecured, Considered Good*

A) Trade Receivables Outstanding for more than six months

91,644,927

B) Trade Receivables (Others)

383,802,199

**475,447,126**

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

**NOTE 16 - Cash & Bank Balances**
**A) Cash & Cash Equivalents**

Cash On Hand

3,550,771

Balances with Banks

- Current Account

32,237,958

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

FDRs with Bank

12,567,155

**48,355,884**

Note : 16.1 FDR's includes Deposits which are pledged against BG/LC Rs. 125,67,155 (Previous Year Rs. 119,88,801)

# **NOTE 17 - SHORT TERM LOAN AND ADVANCES**

## ***UNSECURED, CONSIDERED GOOD***

### **Advances Recoverable in Cash or Kind**

Cenvat & Input Tax Credit	12,192,697
Advances To Vendors	34,620,025
Advances To Others	9,026,646
Advances Against expense	1,801,962
TDS/TCS Receivable	10,166,237
Service Tax Receivable	76,280
Security Deposits, consider good (Current Portion)	7,028,590
Other loans and advances	656,455,675
	<b>731,368,112</b>

# **NOTE 18- OTHER CURRENT ASSETS**

Prepaid expenses	425,772
Accrued Interest	381,607
Other Loans & Advances	1,091,299,789
	<b>1,092,107,168</b>

# **NOTE 19 - REVENUE FROM OPERATIONS**

**31.03.2017**

## **Sale of Product**

Granite and Other Products	614,361,994
----------------------------	-------------

## **Other operating revenue**

Sale Others	336,710,822
Commission income	39,767,900
Interest Income	46,600,226
Exchange Rate Fluctuation	7,160,727
CST/Service Tax Refund	447,310
Compensation	8,861,590
Discount Received	163,000
Duty Drawback/Export Incentives	418,203

<b>Revenue from operations (gross)</b>	<b>1,054,491,772</b>
--	----------------------

LESS: Excise Duty	8,746,378
-------------------	-----------

<b>Revenue from operations (Net)</b>	<b>1,045,745,394</b>
--------------------------------------	----------------------

**NOTE 20 - OTHER INCOME**

31.03.2017

Profit on Sales of Assets	2,071,000
Contractual Income	60,000
Dividend Received	8,300
Misc. Balances Written-Off	7,119,748
	<b>9,259,048</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**

31.03.2017

Opening Stock	161,770,302
Add: Purchases Less Returns	208,782,258
Less: Closing Stock	157,710,194
	<b>212,842,366</b>

**NOTE 21.1 - PARTICULARS OF RAW MATERIALS CONSUMED**

31.03.2017

Granite Block	212,842,366
<b>Total</b>	<b>212,842,366</b>

**NOTE 22 - PURCHASE OF STOCK IN TRADE**

31.03.2017

Trading Purchase	36,564,179
Purchase Others	388,831,846
	<b>425,396,025</b>

**NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS , WIP & Scrape**

31.03.2017

<b>Opening Stock</b>	
Work in Process	30,563,207
Finished Goods	307,463,527
Scraps	8,861,625
	<b>346,888,359</b>
<b>Less : Closing Stock</b>	
Work in Process	15,455,845
Finished Goods	359,004,194
Scraps	9,488,289
	<b>383,948,328</b>

**(Increase)/Decrease (37,059,969)**

**NOTE 24 - MANUFACTURING EXPENSES**

31.03.2017

Consumption of Stores, Spares & Consumables	155,428,086
Power & Fuel Expenses	53,147,273
Entry Tax	1,292,064
Factory Expenses	1,394,625
Freight Charges	204,820
Royalty Expenses	162,660
Slurry & Trans. Expenses	3,570,650
<u>Repairs &amp; Maintenance</u>	
- Plant & Machineries	794,871
- Building	41,000

**216,036,049**
**NOTE 25 - EMPLOYEE BENEFITS EXPENSES**

31.03.2017

Factory Wages & Allowances	31,654,683
Salary & Allowances	24,664,745
Director's Remuneration	4,800,000
Staff & Labour Welfare Expenses	4,841,156
Contribution to PF, ESI, Gratuity Fund etc.	16,156,889

**82,117,473**
**NOTE 25.1 Disclosure in term of AS-15 are as under :-**

Particulars	2016-17
<b>Change in present value of the defined benefit obligation</b>	
Opening Defined benefit obligation at 1st April	17,537,820
Current Service Cost	1,422,358
Interest Cost	1,278,187
Actuarial(Gains)/Losses	1,464,580
Benefit Paid	(41,183)
Closing Defined benefit Obligation at 31st march	21,661,762
<b>Change in Plan Assets</b>	
Opening fair value of Plan asset at 1st April	-
Expected return on plan assets	-
Contributions by Employer	-
benefits paid	-
Closing fair value of plan assets at 31st March	-



**Reconciliation of the present value of the obligation and fair value of the plan assets**

Present value of funded obligation at 31st March	21,661,762
Fair Value of Plan Assets at 31st March	-
Surplus/(Deficit)	(21,661,762)
Unrecognised Past Service Cost	-
Net Assets/(Liabilities)	(21,661,762)

**Principal Acturial Assumptions**

Discount Rate	7.25%
Expected Rate of Return	N.A
Salary Escalation	6.00%

**NOTE 26 - FINANCE COSTS**

31.03.2017

Interest On Vehicle loan	6,913,295
Interest On Unsecured Loan	1,499,984
Interest On Term loan	2,582,707
Interest On PCFC	1,005,697
Interest On TDS	5,970
Bank Charges	1,845,865

**13,853,518**
**NOTE 27 - OTHER EXPENSES**

31.03.2017

**A) ADMINISTRATIVE EXPENSES**

AGM Expenses	10,352
Advertisement exp	65,640
Auditor's Remuneration	376,500
Auditor's Expenses & Reimbursement	130,547
Boarding & Lodging Exp	528,319
Books & Periodicals	17,780
Business & Guest Expenses	612,166
container driver exp	171,870
Computer Exp.	-
Conveyance Expense	674,333
Custody Charges	73,878

Dead Rent (Mines)	120,000
Deduction on CST/VAT/Service Tax Refund	432,216
Penalty	200,233
Demand	575,233
Director's Travelling Expenses	1,288,135
Diwali Expenses	426,302
Donation	35,000
Foreign Exchange Fluctuation	2,995,533
Fees, Subscription & Membership	1,579,522
Festival & Pooja Expenses	48,626
CSR expenses	1,062,335
Garden Maintenance	15,063
Insurance Expenses	1,002,841
Internet Expenses	83,282
Legal Expenses	58,772
Listing Fees	229,000
Light & Water	9,994
Medical Expenses	38,314
Miscellaneous Exp	389,649
Office Expenses	485,834
Postage & Courier	938,322
Professional Charges	1,657,764
Provision for Diminution of Investment	16,393
Printing & Stationery	726,182
Rates & Taxes	206,703
Recruitment & Training	1,160
Income tax expenses	150,576
Misc balance w/off	346,284
Telephone Expenses	1,946,029
Travelling Expenses	3,013,713
Typing & Photocopy Expenses	39,965
Vehicle Exp - Repairs & Maintenance	3,740,729
Repair & Maintenance Others	197,514
Share Transfer Expense	13,816
Security Service Charges	2,429,676
Xerox M/C Hiring Charges	50,560
Loss on Sale of assets	28,795,457
	<b>58,709,140</b>

**B) SELLING & DISTRIBUTION EXPENSES**

Advertisement Expenses	191,461
Commission & Brokerage	735,306
Discount on Sales	806,405
Exhibition Expenses	1,952,790
Freight & Forwarding on Sales	31,743,705
Insurance - Marine	271,987
Loading Expenses	300
Sales Promotion Expenses	134,210
	<b>35,836,164</b>
<b>TOTAL</b>	<b>94,545,304</b>

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

	<u>Amount</u>	<u>31.03.2017</u> <u>% of Consumption</u>
Raw Materials		
Imported	22,692,945	10.66
Indigenous	190,149,421	89.34
<b>Total</b>	<b>212,842,366</b>	<b>100.00</b>
Stores, Spares & Consumables		
Imported	95,987,638	61.76
Indigenous	59,440,448	38.24
<b>Total</b>	<b>155,428,086</b>	<b>100.00</b>

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

	<u>31.03.2017</u>
(A) Raw Materials	32,396,609
(B) Stores, Spares & Consumables	86,853,801
<b>Total</b>	<b>119,250,410</b>

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

	<u>31.03.2017</u>
Audit Fee ( Including Service Tax)	331,500
Limited review	45,000
	<b>376,500</b>

**NOTE 31 - Expenditure in Foreign Currency**

Exhibition expenses	1,952,790
	<b>1,952,790</b>

**NOTE 32 - Earnings in Foreign Exchange**

FOB Value of Exports	543,911,208
	<b>543,911,208</b>

**NOTE 33 - Earnings Per Share**

No. of Equity Shares (Weighted Average)	1,351,500
Profit After Tax	3,829,531
Earnings Per Share (Basic & Dilutive)	<b>2.83</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** - Related parties information as per AS -18 as under :

**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  
Sarita Agarwal  
Shruti Agarwal

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

Geetanjali Marble  
Geetanjali University  
Krishna Marble  
Maheshwari Financial Services Ltd.  
Ojaswi Marbles & Granites Pvt. Limited  
Pacific Export  
Pacific Leasing And Research Pvt. Limited  
Rahul Marbles Private Limited  
Shruti Synthtics Ltd.  
Yash processors pvt ltd  
Trinity Infopark Private Limited

Particulars	Referred in (a)	Referred in (b)	Referred in (c)
	Above (Rs. in Lacs)	Above (Rs. in Lacs)	Above (Rs. in Lacs)
	2016-17	2016-17	2016-17
Purchases	0.00	0.00	321.51
Purchase of Fixed Assets	0.00	0.00	0.00
Sales	0.00	0.00	27.32
Salary	48.00	0.00	0.00
Payables/(Advance)	0.00	-5.95	222.67
Loan Outstanding as on 31 - March(Liabilities)	1496.76	0.00	0.00

**Note 36** - 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 37 - 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.
- VII. The company has a total demand of Rs. 78.39 lacs of Custom Duty out of which the company has deposited Rs. 5.88 Lacs under protest against which the company has filed an appeal.

(B) Guarantees NIL

( ) g

C Other Contin ent 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 : 38 Cash Transaction in Specified Bank Notes for the period 08.11.2016 to 30.12.2016**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	6975000	817502	7792502
(+) Permitted receipts/Amount Withdrawl from Bank	0	1680831	1680831
(-) Permitted payments	25000	1974156	1999156
(-) Amount deposited in Banks	6950000	0	6950000
Closing cash in hand as on 30.12.2016	0	524177	524177

**NOTE 39-** The Provision of Section 135 of the Companies Act, 2013 are applicable to the Company. Accordingly, the Company has incurred Rs. 10.62 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** - Figures are rounded off to the nearest rupees.

**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

Sd/-  
Kapil Agarwal  
Director

Place: Udaipur  
Date: 30.05.2017

Sd/-  
Khushbu Sethi  
Company Secretary

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## PACIFIC INDUSTRIES LIMITED

### Corporate information

“Pacific Industries Limited” is a public Limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is engaged in manufacturing of Granites & Marble Slabs and also trading in other goods.

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

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

**(2) Use of Estimates :**

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

**(3) Revenue Recognition:**

- (i) Revenue in respect of sales of goods is recognized at the point of dispatch/ passage of title of goods to the customer. Sales are net of excise duty and sales tax.
- (ii) Insurance and other claims being unascertained are accounted on receipt basis.

**(4) Fixed Assets:**

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

**(5) Depreciation :**

Depreciation on Fixed Assets has been calculated on the basis of useful life of assets prescribed as per schedule II of the Companies Act 2013. Further the depreciation on addition made during the year has been provided on a pro-rata basis.

**(6) Impairment of Assets :**

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

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

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

**(7) Investment:**

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

**(8) Export Incentive:**

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

**(9) Employee Benefits:**

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

**(10) Inventories:**

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

**(11) Foreign Currency Transactions:**

- (i) Foreign Currency transactions are accounted for at the exchange rate prevailing on the date of such transaction, where such transactions are not covered by

forward contracts. Gains/ Losses arising out of the fluctuation in the exchange rate are accounted at the year end or on realization.

- (ii) Current assets & liabilities are translated at year-end rate. Exchange fluctuation, if any, are adjusted in profit and loss account (except related to fixed assets) during the year and the related current assets and liabilities accordingly restated in the balance sheet.
- (iii) In respect of foreign currency taken for acquisition of fixed assets, any fluctuation arising due to such transactions are adjusted in the cost of the respective fixed assets.

## (12) Taxation

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

## (13) **Contingent Liabilities:**

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

## (14) **Segment Report**

The Company has considered business segments as the primary segments for disclosure. The business segments are 'Marble and Granite' and 'Trading'.

**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]**

**28<sup>th</sup> Annual General Meeting – 29<sup>th</sup> September 2017**

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 28thAnnual General Meeting of the company, to be held on Friday the 29th September, 2017at 10.00 a.m. atVillage : 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 ad opt the Audited Financial Statements of the Company and Cosolidated Financial Statements for the financial year ended 31 <sup>st</sup> March 2017, together with the Reports of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of Mrs. Ge eta devi Agarwal (DIN: <u>00386331</u> ) who retires by rotation, and being eligible offers himself for re-appointment		
3.	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 \_\_\_\_\_ 2017

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

### 28th ANNUAL GENERAL MEETING ATTENDANCE SLIP

Name & Registered Address of the Member

Ledger Folio No./DP ID/ Client ID :

No. of Share (s) :

I/ we hereby record my / our presence at the 28<sup>th</sup> Annual General Meeting of the company, to be held on Friday the 29<sup>th</sup> September, 2017 at 10.00 a.m. at Survey No. 13, N.H. 48 Kempalingahalli, Village, Nelamangala Taluk (Rural), Bangalore – 562123 (Karnataka)

\_\_\_\_\_  
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

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Nelamangala Taluk, Bangalore-Karnataka 562123

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**Email :** pacificinvestor@rediffmail.com.com ; Website : 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 04<sup>th</sup> September, 2017 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 and Consolidated Financial Statements for the financial year ended 31 <sup>st</sup> March 2017, together with the Reports of the Board of Directors and Auditors thereon	Ordinary			
2.	To appoint a Director in place of Mr. s. Geeta Devi Agarwal (DIN: 00386331) who retires by rotation, and being eligible offers himself for re-appointment	Ordinary			
3.	To appoint M/s RAVI SHARMA & CO (FRN No. 15143C) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General meeting until the conclusion of the 33 <sup>rd</sup> Annual General Meeting of the Company	Ordinary			

Date :  
Place :

Signature of Member

## PACIFIC INDUSTRIES LIMITED

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Nelamangala Taluk, Bangalore-Karnataka 562123

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

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**CIN :** L14101KA1989PLC062041

### E-COMMUNICATION REGISTRATION FROM

Folio No. (For Physical Shares)	:	
Name of 1st Registered Holder	:	
Name(s) of Joint holder(s)	:	
Registered Address	:	
E-Mail ID (to be registered)	:	
Phone No./ Mobile no.	:	

I/We, Shareholder(s) of Pacific Industries Limited agrees to receive communication from the company in electronic mode. Please register my/Our above e-mail in your records for sending communication through e-mail.

Signature of Shareholder(s) 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_  
 (as appearing in the Company's records)

Date:

Notes:

1. Shareholder(s) is/are requested to keep the Company informed as and when there is any change in the e-mail address.
2. In case, shares are held in electronic form, kindly register your email particulars with your Depository Participant.



**PACIFIC INDUSTRIES LIMITED (PIL)**  
**Route Map for Venue of 28<sup>th</sup> Annual General Meeting (AGM)**



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







INDUSTRIES LTD. INDIA  
[www.pacificgranites.com](http://www.pacificgranites.com)

*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,  
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Nelamangala Taluk,  
Bangalore (R) 562123, Karnataka, INDIA  
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Fax: +91-80 27723005  
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[pilnorth@pacificgranites.com](mailto:pilnorth@pacificgranites.com)

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

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To,