

PAN ELECTRONICS (INDIA) LIMITED

28th

ANNUAL REPORT

2010 - 2011

PAN ELECTRONICS (INDIA) LIMITED

BOARD OF DIRECTORS

Shri Nanik G Rohera	Chairman
Shri Nitesh Rohera	Managing Director
Shri G. Nagaraju	Director
Shri K M Muddiah	Director

AUDITORS:

M/s. V. Ganesh, Chartered Accountant, Bangalore

FINANCIAL INSTITUTION:

Industrial Development Bank of India Limited (IDBI)

BANKERS

HDFC Bank Ltd, Dargha, Hosur, TN
Bank of India, Corporate Banking Branch, SKIP House, Bangalore

REGISTERED OFFICE:

69, 3rd Cross, Cubbonpet, Bangalore 560 002

REGISTRARS & SHARE TRANSFER AGENTS:

M/s. Integrated Enterprises Limited (Formerly Alpha Enterprises Pvt Ltd), 30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003

FACTORY:

Plot # 83
Phase I, SIPCOT Industrial Complex,
HOSUR 635 126

PAN ELECTRONICS (INDIA) LIMITED**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Twenty Eighty Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED will be held on 7 September 2011 at Vijay nagar Club, Stage 2, 1st main, Vijay nagar, Bangalore 560104 at 3.00 pm to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31 March 2011, the audited Profit & Loss Accounts for the year ended as on that date together with schedules and notes forming part of accounts and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K M Mudaiah, who retires by rotation and being eligible offers himself for reappointment
3. To appoint a Director in place of Shri G Nagaraju, who retires by rotation and being eligible offers himself for re-appointment
4. To appoint statutory auditors to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

Ordinary Resolution

5. To consider and, if thought fit, pass with or without modifications an Ordinary resolution to re-appoint Shri Nitesh Rohera as Managing Director of the Company from 1 February 2012 for a period of five years and to authorise the Remuneration Committee to fix the remuneration.

“Resolved that Shri Nitesh Rohera, be & is hereby reappointed as Managing Director of the Company for a further period of five years from 1 February 2012 at the following remuneration:

Salary: Rs. 50,000 per month and Perquisites: Provident Fund & Gratuity – as applicable under law. Leave encashment at the end of the tenure”

Explanatory statement:

In accordance with the provisions of the Companies Act 1956, Shri Nitesh Rohera, retires as Managing Director on 31 January 2012. Being eligible, he offers himself for re-appointment.

NOTES:

1. A member entitled to attend and vote in the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. The Register of Members and the Share Transfer Books in respect of Equity Shares of the Company shall remain closed from 31.08.2011 to 06.09.2011 (both days inclusive)
3. Members are requested to notify the change in address if any, immediately to the Registered Office of the Company at 69, III Cross, Cubbonpet, Bangalore 560 002, where the Register of Members and index of Members are kept.
4. All documents referred to above are open for inspection. Members seeking clarification on accounts are requested to write to the Registered Office at 69 Cubbonpet, III Cross, Bangalore 560 002 at an early date to enable the Management to keep the information ready.
5. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting and hand it over at the entrance hall.
6. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

BY ORDER OF THE BOARD

Place: Bangalore
Date: 21.07.2011

NANIK G ROHERA
CHAIRMAN

DIRECTORS REPORT

Your Directors present their Twenty Eighth Annual Report together with the Audited Annual Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS:

Rs.in lakhs

	2009-10	2010-11
Profit / (Loss) before Depreciation	(33.49)	14.82
Less: Depreciation	35.61	44.98
Profit/(Loss) before Tax	(69.10)	(30.16)
Provision for Tax	-	-
Profit/(Loss) brought forward	(2455.42)	(2523.19)
Disposable Profits / (Loss)	(67.76)	(28.83)
Deficit carried forward	(2523.19)	(2552.02)

PERFORMANCE:

Your Company has achieved product turnover of Rs 54.65 lakhs (previous year 43.61 lakhs) including Job Work of Rs 8.82 lakhs (previous year 12.54 lakhs) during the year. However there is a loss due to depreciation and under utilization of capacity.

DIRECTORS

In accordance with the provisions of Companies Act 1956 and Articles of Association of the Company, Shri K M Mudaiah & Shri G Nagaraju, retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

In accordance with the provisions of the Companies Act 1956, Shri Nitesh Rohera, retires as Managing Director on 31 January 2012. Being eligible, he offers himself for re-appointment. As such, a Resolution requiring his re-appointment is proposed.

SECRETARIAL COMPLIANCE REPORT

Secretarial compliance report dated 21 July 2011 as given by Shri S. Viswanathan, Practicing Company Secretary is available for inspection at the Registered Office of the Company. Secretarial Compliance Certificate for the year ended 31 March 2011 is attached herein

AUDITORS

Mr. V. Ganesh, Chartered Accountant retires at the ensuing Annual General Meeting and is eligible for reappointment per Companies Act 1956. He does not hold peer review board certificate. The Company is trying to locate a Chartered Accountant holding such a Certificate. You are requested to appoint the auditor and authorize the Board of Directors to fix his remuneration in consultation with him.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the Public.

LISTING

Your Company confirms the payment of Listing Fees to Stock Exchange and continues to be listed at Bombay Stock Exchange Limited, Mumbai

CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement, a Report on Corporate Governance on an annual basis, Management Discussion and Analysis Report and Auditor's Certificate form part of the Annual Report.

WHOLLY OWNED SUBSIDIARY COMPANIES

Venlon Metallising Private Limited and Venlon Metacoat Private Limited continue to be Wholly Owned Subsidiary Companies.

SECTION 212 STATEMENTS:

Statement pursuant to Section 212 of the Companies Act 1956, relating to holding Company interest in Subsidiary Companies:

	VENLON Metallising Pvt Ltd	VENLON Metacoat Pvt Ltd
1. Financial year of the subsidiary ending on	31 st March 2011	
2. a) Number of shares held by the holding company, including holding through nominee	396,845	300,000
B) Extent of interest on the above date	100%	100%
I. Net aggregate amount of the subsidiary company's profit / (Loss) so far it concerns members of the holding company	(162,207)	(38,316)
(Rs. in lacs) Capital	39,684,500	30,000,000
Reserves and surplus		20,84,553
Total assets	41,050,676	14,312,017
Total Liabilities	333,582,191	86,680,186
Investment	120,785	235,490
Turn over (including other income)		18,000
Profit / Loss before tax	(162,207)	(38,316)
Provision for taxation including FBT and deferred tax		
Profit / Loss after tax	(162,207)	(38,316)

INDUSTRIAL RELATIONS

During the year the relationship with the employees remained cordial and the Board wishes to place on record its appreciation for the unstinted support and contribution by them at all levels.

DIRECTORS RESPONSIBILITY STATEMENT

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

AUDITORS OBSERVATIONS

Regarding non-obtainment of confirmations, the Board does not foresee any material impact on the accounts of the Company upon reconciliations.

Regarding observation in respect of non- provision of penal interest and liquidated charges by Financial Institutions and guarantee of Rs.770 lakhs of IDBI, the Board wishes to inform that dues with IDBI have been settled. Hence no such provisions are necessary.

Regarding non – creation of provision of doubtful advances, in respect of wholly owned subsidiary viz Venlon Metallising Pvt Ltd and Venlon Metacoat Pvt Ltd, the Companies have stopped operations for the time being and a package has been planned to clear the debts of the company by sale of assets and other means. Therefore the Board is of the opinion that no such provisions are required to be made in the books of accounts.

The tax impact of net deferred tax asset has not been recognized in the books based on the applications of principle of prudence as required by AS 22 by the Insitutute of Chartered Accountants of India.

SHARE TRANSFERS

In compliance of SEBI Regulations of a Common Agency for Share Transfer work in terms of both physical and electronic connectivity, the Company has appointed a common Registrar and Share Transfer Agent for physical transfer and dematerilised as per particulars given below:

Integrated Enterprises Limited (formerly Alpha Systems Private Limited), 30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003

OTHER INFORMATION

There are no employees covered by Section 217(2) A of the Companies Act 1956. Information required by the Companies (Amendment) Act, 1988 is given in notes forming part of accounts.

ACKNOWLEDGMENT

The Directors place on record their sincere gratitude to IDBI/ SASF, SIPCOT, Bank of India, HDFC Bank and various departments of State and Central Governments, Vendors and Trade suppliers. Your Directors also thank the valued customers of the Company for their continued patronage. Your Directors take this opportunity to express their appreciation to the Executives, Officers, Staff and Workers at all levels for their service. The Directors gratefully acknowledge the support extended by the shareholders.

For and On behalf of the Board of Directors

Place: Bangalore

Nanik G Rohera

Date: 21 July 2011

Chairman

ANNEXURE TO DIRECTORS REPORT:

PARTICULARS AS PER COMPANIES RULES 1988 (Disclosure of particulars in the Report of the Board of Directors in terms of Notification 1029 of 31.12.1988 issued by the Dept. of Company Affairs)

A	CONSERVATION OF ENERGY	The Company continues to pursue its efforts to conserve the energy resources with its focus on reducing fuel and electrical energy costs.
B	TECHNOLOGY ABSORPTION	Furnished below
C	Foreign Exchange earnings & out go	The information on Foreign Exchange Earnings and outgo is furnished in the Notes to the accounts.
I	RESEARCH & DEVELOPMENT	
1.	Specific area in which R & D carried out by the Company	The Company has an on-going R&D Department to improve the quality of metallization, etc. and enhance productivity
2	Benefits derived as a result of the above R & D	Company has produced superior quality metallised film for various applications
3	Future plan of action	The Company would like to pursue its R & D efforts with an objective to enhancing the quality & value of the process and products
4	Expenditure on R & D	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1	Efforts, in brief, made towards absorption, adaptation and innovation	NIL
2	Benefit derived as a result of the above results	NIL
3	Information on Imported Technology	NIL

BY ORDER OF THE BOARD OF DIRECTORS
NANIK G ROHERA
CHAIRMAN

PLACE: Bangalore

DATE: 21.07.2011

PAN ELECTRONICS (India) LIMITED

Report on Corporate Governance as on 31st March 2011

Sl No	Particulars	Yes / No	
1	Brief statement on Company's philosophy on code of governance	The Company follows a system of sound human values, creditability in matters of commercial transactions and fair view and approach in all operations	
2	Board of Directors		
	a	Composition and Category of Directors i.e break up of Directors in to the following	
	i	Executive	2 Members
	ii	Non-Executive	2 Members
	iii	Independent non-executive	2 Members

	iv	Nominee Director	NIL		
	v	Institutional Director - in which capacity - Lender or Shareholder Whether: Non-executive directors -minimum 50% of total Directors	NIL Yes		
		Number of independent Directors	Two		
		If Chairman is executive - 1/2 of the board	Not applicable		
		If Chairman is non-executive - 1/3 of the board	More than half of the Board is non-executive		
	b	Disclose whether Chairman is Executive / Non Executive	No Chairman is Non-Executive		
	c	Attendance of each director at the time of Directors meeting and last AGM			
Name	Category	Date of AGM	Num of Board Meetings	Num of other Directorship	Num of other Committee Membership
		15.09.2010	Attended	In Public Co.s	
Nanik Rohera	Chairman Non-Independent	Present	Five	Nil	One
Nitesh Rohera	Managing Director, Non-Independent	Present	Five	Nil	One
G Nagaraju	Non-Executive Independent	Present	Five	Nil	Two
K M Muddaiah	Non-Executive Independent	Present	Five	Nil	Two
K M Muddaiah is a retired Senior Police Officer & G Nagaraju is retired KIADB Member. Both are financial literate					
	Whether gap between any two consecutive Board Meetings is not greater than 4 months			There is no gap of more than four months between any consecutive meetings	
	Minimum four meetings in a year are held			Yes	

		AUDIT COMMITTEE
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		The Board constituted Audit Committee. The terms of the reference of the Audit Committee are as under: To hold periodic discussions with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit & observation of the Auditors. To review compliance with internal control systems. To review the quarterly, half yearly and annual financial results of the Company before submission to the Board To make recommendations to the Board on any matter relating to financial management of the Company, including audit report Recommending statutory auditors of the company Others (as covered in Clause 49 (II) (D) of the listing agreement)	
	i	Composition, name of members and Chairperson	Two Independent Directors 1. Shri G. Nagaraju Chairman 2. Shri K M Muddaiah Member All the Directors have financial accounting knowledge and are non executive and independent
	ii	Number of meetings and attendance during the year	FIVE on 21-4-10, 28.7.10, 29.10.10, 3.2.11 & 6.5.11 Shri H N Tarachandani- 1 Meeting Present Shri G Nagaraju - 5 Meetings Present Shri K M Muddaiah - 5 Meetings Present
	iii	Brief description of terms of reference: Scrutiny of process of financial reporting and disclosure of information, Appointment of Auditors and their remuneration and other expenses for services; Review of quarter & annual financial statements before submission to the Board regarding changes in accounting policies, qualification in audit report and adjustments arising out of audit, compliance of accounting standards, stock exchange, legal and financial statements.	
4		Remuneration Committee: As the Company is sustaining loss, the Chairman & Managing Director draw no remuneration.	
	i	Brief description of terms of reference	To decide & fix the Remunerations of Directors, Senior managers, etc and submit necessary approvals to the Board
	ii	Composition, name of members and Chairperson	Shri K M Muddaiah – Chairman Shri G. Nagaraju – Member
	iii	Attendance during the year	One meeting - 21 July 2011
	iv	Remuneration policy	The Company adheres to provisions of Schedule XIII of the Companies Act, 1956, while fixing the remuneration package to its Managers, including MD. The compensation to Non-Executive Directors is as decided by the Remuneration Committee and ratified by the Board / General Body.
Sl No		Particulars	Yes / No
	v	Details of remuneration to all Directors as per the format listing out the following:	
		Salary	Nil
		Benefits	Nil
		Bonus	Nil
		Stock Options	Nil
		Pension	Nil
		Others	Nil
		Break up of fixed components and performance linked incentives	NA
		With performance criteria	NA
		Service Contract - Notice period, severance fees	NA
		Stock options details (if any)	NA
		Whether issued at discount	NA
		Period over which it is accrued and is exercisable	
		Except that of Managing Director, which is as appearing in Draft Notice of Meeting	

5		Transfer, Grievance, Remat, etc for Share holders Committee	
	i	Brief Description of terms of reference	To verify & approve share transfers received, to attend to grievances of share holders, to approve demat & remat of shares received. Other

			related matters
	ii	Composition, names of members & Chairperson	Shri Nitesh Rohera - Chairman Shri Nanik Rohera - Member
	iii	Meeting Dates	Eight - 12.4.10, 20.4.10, 26.6.10, 15.9.10, 16.11.10, 16.12.10, 25.1.11, 5.6.11
6		General Body Meetings	
	i	Location, date & time where last 3 AGMs were held Vijay Nagar Club, Vijay Nagar, Bangalore Vijay Nagar Club, Vijay Nagar, Bangalore Ashirwad Party Hall, Jayanagar, Bangalore	15 Sep 10, 03.30 pm 29 Sep 09, 03.30 pm 24 Sep 08, 03.30 pm
	ii	Whether special resolutions were put through postal ballot last year, details of voting pattern	No
	iii	Persons who conducted the postal ballot exercise	N.A
	iv	Procedure for postal ballot	N.A
7		Disclosures	
	i	Disclosures on materially significant related party transactions i.e. transaction of the company of material nature, with its promoters, directors or management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large	Disclosed in Accounts
	ii	Details of non compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last 3 years	Nil
		Particulars	Yes / No
8		Means of Communication	
	i	Half yearly report sent to each shareholders residence	No
	ii	In which newspapers quarterly results were normally published	
	iii	Any Website where results or official news are displayed	http://www.venlon.com/investors
	iv	The presentation made to institutional investors or to the analysts	Nil
	v	Whether Management Discussion & Analysis is part of Annual Report	Yes
9		General Shareholder information	
	i	AGM Date, time and venue	7 September 2011 @ 3.00 pm at Vijay nagar Club, Bangalore
	ii	Financial year ending	31st March 2011
	iii	Book Closure	31. 8.2011 to 6.9.2011
	iv	Dividend payment date	Dividend not declared
	v	Listing on Stock Exchange	Mumbai
	vi	Stock Code	517397
	vii	Market price data – High/low during each month of the financial year	
		Month	High (Rs.) Low (Rs.)
		April 2010	6.00 6.00
		May 2010	6.30 6.10
		June 2010	
		July 2010	
		August 2010	
		September 2010	6.10 6.10
		October 2010	
		November 2010	
		December 2010	
		January 2011	
		February 2011	
		March 2011	
		No trading in other months	

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	viii	Share Transfer System	Share transfer in physical form can be lodged with the Share Transfer Agents. The transfer is normally processed within the stipulated time from the date of receipt if the documents are complete in all respects. The Share Transfer Committee of the Board approves the transfers. Insider trading norms are adhered to and reported to the Stock exchanges upon information from the concerned.				
	ix	Dematerialisation of shares and liquidity	Shares in physical form can be dematerialized and dealt on NSDL.				
	x	Outstanding GDR/ ADR/ Warrants or any convertible instruments, conversion date and impact on equity	Nil				
	xi	Plant location	83 SIPCOT Complex, Hosur, TN, India				
	xiv	Address for correspondence	69, 3 rd Cross, Cubbon pet Bangalore 560 002				
10	i	Compliance Certificate from Auditors of the Company	YES				
	ii	Any Qualification in Auditor's Report	YES				
11		SHAREHOLDING PATTERN as on 31 MARCH 2011					
		Category	No. of shares held	Percentage of share holding			
A		PROMOTER'S HOLDING					
1		Promoters - Indian Individuals	19,08,820	47.72			
		Foreign		-			
		Non Residential Individuals		-			
		Bodies Corporate					
B		PUBLIC SHARE HOLDING					
		Institutional investors					
		Mutual funds & UTI					
		Banks, Financial institutions	3200	0.08			
		Foreign Institutional Investors					
C		OTHERS					
		Private Corporate Bodies	2,36,400	5.91			
		Individuals share holders holding nominal capital upto Rs. 1,00,000/-	871980	21.80			
		Individuals share holders holding nominal capital excess of Rs. 1,00,000/-	938100	23.45			
		NRI's / OCBs	41,500	1.04			
		Any other (please specify)	-	-			
		GRAND TOTAL	40,00,000	100.00			
12		Distribution of Shareholding					
		Num of share holders	% of total	Shareholding of nominal value of Rs.10/-	Num of shares	Amount Rs.	% of total
		2684	99.15	Up to 5,000	863580	8635800	21.59
		10	0.37	5,001 10,000	76000	760000	1.90
		4	0.15	10,001 20,000	62000	620000	1.55
		1	0.04	20,001 30,000	21500	215000	0.54
		0	0.0	30,001 40,000	0	0	0
		1	0.04	40,001 50,000	48000	480000	1.20
		1	0.04	50,001 1,00,000	100000	1000000	2.50
		6	0.22	1,00,001 & above	2828920	28289200	70.72
		2,707	100.00	Total	40,00,000	4,00,00,000	100.00

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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A	Industry structure and developments	Electronic Metallised Polypropylene and Polyester film industry is well organised in India. Your Company is one of the five major players in the Country. The market domestically has been growing at about 5-10% per annum.
B	Opportunities and threats.	The Company faces excessive competition resulting in continued reduction in margins and fluctuations in export exchange costs.
C	Segment wise or product wise performance	There are no segmental operations as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India.
D	The outlet & future plans	The Company is in negotiation with the Financial Institutions for a one time settlement of dues. Its conclusion will enable the Company to look forward towards growth oriented future.
E	Risks and concerns	The opening up of the Indian economy consequent to India becoming a member of WTO may adversely impact the market scenario.
F	Internal control system and their adequacy	The internal Control Systems of the Company are adequate and are constantly reviewed and supported by internal audit.
G	Discussion of financial performance with respect of operational performance.	The negative financial performance of the Company is mainly due to its operational performance and partly due to the interest burden. Settlement of OTS proposal will benefit.
H	Material development in human resources / industrial relations front, including number of people employed	The Company continues to give thrust for human resource development and industrial relations. The Company effected reduction, maximum of its employees during the year, by paying suitable compensation as per Law.

CAUTIONARY STATEMENT:

Statements in this “Management Discussion and Analysis” contain forward looking statements which may be identified by the use of words in that direction or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the Company’s strategy for growth, product development, market position, expenditures and financial results are forward looking statements on the basis of any subsequent development, information or events.

Affirmation of Compliance with the Code of business conduct of Directors and Senior Executives

I, Nanik G Rohera, Chairman of the Company, to the best of my knowledge and belief, declare that all the Board members & senior management have affirmed compliance with the code of conduct for the year ended 31st March 2011.

Place: Bangalore
Date: 21.7.2011

Nanik G Rohera
Chairman

**AUDITOR'S REPORT ON CORPORATE GOVERNENCE
TO THE MEMBERS OF PAN ELECTRONICS (INDIA) LIMITED**

CIN: U00309KA1982PTC004960

Nominal Capital: Rs. 4 crores

We have examined the compliance of conditions of corporate governance by the Company for the year ended 31st March 2011 as stipulated in clause 49 of the Listing Agreement with stock exchanges.

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 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.

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.

In our opinion and to the best of our information and according to the explanations given to us, the Company has taken reasonable steps to ensure implementation of the conditions of Corporate Governance, as stipulated under Clause 49 of the listing agreements.

PLACE: Bangalore
DATE : 21.07.2011

V. GANESH
CHARTERED ACCOUNTANT

AUDITORS' REPORT

TO THE MEMBERS OF PAN ELECTRONICS (INDIA) LIMITED

We have audited the attached Balance Sheet of **PAN ELECTRONICS (INDIA) LIMITED** as at 31st March 2011, Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief where necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3) of Section 211 of the Companies Act, 1956 (the Act);
- e) On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors, is disqualified as on 31st March 2011 from being appointed as a Director in terms of Clause (b) of sub section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to

- *Note (3) of Schedule 21-II regarding non-obtainment of confirmations in respect of certain balances appearing under Secured Loans, Loans and Advances (Except wholly owned subsidiaries), Sundry Debtors and Sundry Creditors, the impact of which not being quantifiable*
- *Note (3) of Schedule 21-II regarding non-provision of penal interest and liquidated damages the impact of which is not quantifiable as the Company has not obtained the year-end confirmation of balances*
- *Non provision of Deferred Tax Liability of Rs.11.98 lakhs as per Accounting standard 22 issued by institute of Chartered Accountants of India*
- *Non-creation of provisions for doubtful advances in respect of advances disclosed vide note (13) of schedule 21 amounting to Rs 301.78 lakhs consequent to the negative net worth of the Subsidiary Companies to which the amounts have been advanced*
- *Non provision towards guarantee of Rs. 770.00 lakhs given to IDBI securing due repayment of 18% NCD issued, in favour of IDBI by Venlon Metallising Pvt Ltd (a wholly owned subsidiary company)*
- *Non obtainment of permission of IDBI in respect of shares of Venlon Metallising Private Limited acquired by the company from the erstwhile share holders*

and read with other Accounting Policies and notes, 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:

- i) In the case of the Balance Sheet, the state of affairs of the Company as at 31st March 2011
- ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

2. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) order 2004 issued by the Central Government of India in terms of sub section 227 of the Companies Act, 1956 we further report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have not been physically verified by the management during the year but 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. We are unable to comment on the discrepancies if any, as all the assets have not been physically verified as aforesaid.
 - c) The company has not disposed off a substantial part of fixed assets during the year.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification when compared to the book records.
3. a) The company has taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) The company has granted advance, in the nature of unsecured loans to two wholly owned subsidiaries, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year Rs.389.86 lakhs and the year-end balance of such loans aggregate to Rs.389.86 lakhs.
 - c) i) No interest has been charged and terms and conditions for the advances have not been specified and we are of the opinion that the said advances are *prima-facie* prejudicial to the interest of the company.
 - ii) In the absence of terms and conditions relating to the repayment / payment of principal and interest we are unable to comment on the regularity of the repayment/payment of principal and interest respectively.
 - iii) In the absence of terms and conditions relating to the repayment / payment of principal and interest we are unable to state the over due amount and to comment upon the reasonability of the steps taken / not taken by the company for the recovery / payment of principal and interest respectively.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and service. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) According to the information and explanations given to us, we are of the opinion that all transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding Rs five lakhs.

6. The company has not accepted deposits from the Public within the meaning of section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
7. The company has an adequate internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 20 (d) of the Companies Act, 1956.
9. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, have not been regularly deposited by the Company during the year with the appropriate authorities, as indicated below:

Statement of arrears of statutory dues outstanding for more than 6 months

Sl. No.	Name of the Statute	Nature of dues	Amount Rs.(in lakhs)	Period to which the amount relates	Date of Payment
1.	Income Tax Act	TDS	0.25	Upto Mar'11	NIL
2.	Sales Tax, Tamil Nadu	TNVAT	0.71	Upto Mar'11	NIL

- b) As at March 31, 2011, according to the record of the company and the information and explanations given to us, there are no disputed dues (provided / considered contingent liability, as appropriate) in respect of account of sales tax, income tax, customs duty, wealth tax, service tax excise duty and cess matters that have not been deposited on account of any dispute.
10. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company defaulted in repayment of dues to financial institutions as given below:

Name of the Financial Institution	Amount Default Rs.in lakhs	Commencement of year of Default from
Industrial Development -Bank of India – Loan I	808.17	1998
Industrial Development- Bank of India – Loan II	1697.89	2001

*The above amounts do not include penal interest and liquidated damages

12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 as amended is not applicable.
13. The company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly clause 4 of the Companies (Auditor's Report) Order, 2003 as amended is not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 as amended is not applicable.
15. In our opinion and according to the information and explanations given to us, the following guarantees given by the company are prejudicial to the interest of the company:
- a) Industrial Development Bank of India for Rs.770.00 lakhs in respect of term loan obtained

Venlon Metallising Pvt Ltd and

16. The company has not received any term loan during the year.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion according to the information and explanations given to us, there are no funds raised on short-basis, which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies cover the register maintained under section 301 of the Companies Act, 1956 during the year.
19. No debentures have been issued by the company and hence the question of creating security charge in respect thereof does not arise.
20. The company has not raised any money by public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations ; to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

Place: Bangalore
Date: 21st Jul 2011

V. GANESH
Chartered Accountant.
Membership Number: 208181

The Board of Directors
PAN Electronics (India) Limited
No.69 III Cubbonpet
BANGALORE – 560 002

MD / CFO CERTIFICATION

- a) We have reviewed financial statements and cash flow statement for the year ended 31st March 2011 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement of any material fact or 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 year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of 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:
1. Any significant changes in internal control during the year
 2. Any 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 we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.

Nanik G Rohera
Chairman

Nitesh Rohera
Managing Director

Date: 21 July 2011

Place: Bangalore

PAN ELECTRONICS (INDIA) LIMITED
BALANCE SHEET AS AT 31.03.2011

PARTICULARS		SCH NUM	31.03.2011	31.03.2010
I	<u>SOURCE OF FUNDS</u>			
	1.Share Holders Funds:			
	Share Capital	1	40,000,000	40,000,000
	2.Reserves and Surplus	2	10,866,269	10,999,603
	3.Secured Loans	3	261,495,306	256,945,306
	4. Deferrred tax			
	TOTAL		312,361,575	307,944,909
II	<u>APPLICATION OF FUNDS</u>			
	1.FIXED ASSETS:			
	a.Gross Block	4	183,029,183	182,647,824
	b.Less:Depreciation		171,259,424	166,761,694
	c.Net Block		11,769,759	15,886,130
	d Capital work in Progress		11,769,759	15,886,130
	2. INVESTMENTS	5	2,834,520	2,834,520
	3.CURRENT ASSETS,LOANS& ADVANCES			
	a.Inventories	6	438,478	813,560
	b.Sundry debtors	7	1,075,074	1,827,438
	c.Cash & Bank Balances	8	510,149	94,483
	d.Loans & Advances	9	81,994,668	62,035,609
			84,018,368	64,771,090
	Less:Current Liabilities & Provisions			
	a. Current Liabilities	10	41,463,111	27,865,984
	NET CURRENT ASSETS		42,555,257	36,905,107
	4.MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
	5. Profit & Loss Account		255,202,039	252,319,152
	Accounting Policies	20		
	Notes to Accounts	21		
	TOTAL		312,361,575	307,944,909

As Per our report on even date

For and on behalf of the Board

V. Ganesh
Chartered Accountant
M NO 208181

Nanik
Rohera
Chairman

Nitesh Rohera
Managing Director

Place : Bangalore
Date : 21/07/2011

G Nagaraju
Director

K M Madaiah
Director

PAN ELECTRONICS (INDIA) LIMITED

Profit & Loss Account for the year ended 31.03.2011

	PARTICULARS	SCH.NO	31.03.2011	31.03.2010
I	INCOME		Rs.	Rs.
	Sales	11	4,678,633	4,240,469
	Job work charges	12	881,219	1,253,853
	Other Income	13	20,018	6,478
	Increase/(Decrease in Stock)	14	(114,881)	(1,139,809)
			5,464,989	4,360,991
II	EXPENDITURE			
	Cost of Goods Sold	15	2,363,056	3,640,884
	Manufacturing Expenses	16	728,525	1,643,384
	Excise Duty on sale		267,477	314,359
	Administrative Expenses	17	519,147	1,683,962
	Selling Expenses	18	65,745	412,998
	Interest & Finance Charges	19	39,529	13,681
	Depreciation	4	4,497,730	3,561,941
			8,481,210	11,271,209
	NET PROFIT		(3,016,221)	(6,910,218)
	Add: Trf from State Special Subsidy		133,333	133,333
	Less: Provision for Tax		-	-
	Profit after Tax		(2,882,888)	(6,776,885)
	Loss Brought Forward		252,319,152	245,542,268
	Net Loss carried to the balance sheet		255,202,039	252,319,152
	EARNINGS PER SHARE (Basic and diluted)		(0.72)	(1.69)
	Accounting Policies	20		
	Notes to Accounts	21		

As Per our report on even date

For and on behalf of the Board

V. Ganesh
Chartered Accountant
M NO 208181

Nanik
Rohera
Chairman

Nitesh Rohera
Managing Director

Place : Bangalore
Date : 21/07/2011

G Nagaraju
Director

K M Madaiah
Director

PAN ELECTRONICS (INDIA) LIMITED
SCHEDULES ANNEXUED TO AND FORMING PART OF THE BALANCE SHEET AS AT
31.03.2011

SCH.	PARTICULARS	31.03.2011	31.03.2010
------	-------------	------------	------------

NO.		Rs.	Rs.
1	SHARE HOLDERS FUNDS SHARE CAPITAL I) AUTHORISED: 1,00,00,000 Equity shares of Rs.10/- each	100,000,000	100,000,000
	II) ISSUED, SUBSCRIBED & PAID UP 40,00,000 Equity shares of Rs.10/- each fully paid up (Out of which 5,47,380 Equity Shares of Rs.10/- each were allotted as fully paid up Bonus Share by capitalisation of Surplus in Profit and Loss Account	40,000,000	40,000,000
		40,000,000	40,000,000
2	RESERVES AND SURPLUS :		
	1. Central Subsidy	1,500,000	1,500,000
	2. State Subsidy III	200,003	333,336
	Less: Trf to Profit & Loss A/c	133,334	133,333
		66,669	200,003
	3. Share Premium	9,299,600	9,299,600
		10,866,269	10,999,603
3	SECURED LOANS :		
	1. Bank of India, Bangalore	10,889,810	6,339,810
	2. I D B I, Bangalore - Loan I	80,816,569	80,816,569
	3. I D B I, Bangalore - Loan II	169,788,927	169,788,927
		261,495,306	256,945,306
4	FIXED ASSETS		
5	INVESTMENTS		
	1. Trade Investments - Quoted 123120 Equity Shares of Rs.5/- each Fully paid in M/s Venlon Enterprises Ltd,-Mysore (Previous year 123120 Equity Shares of Rs.5/- each)	2,824,520	2,824,520
	2. Government & Trust Securities in Kisan vikas pathra	10,000	10,000
		2,834,520	2,834,520
6	INVENTORIES <u>Stock - in - Trade</u> (Valued at the lowest of Cost or Net realisable Value) (As certified by the Managing Director)		
	Raw Materials	14,585	274,786

	Finished Goods	410,636	525,517
	Consumables, Stores & spares	8,513	8,513
	Packing Materials	4,744	4,744
		438,478	813,560
7	SUNDRY DEBTORS (Unsecured - Considered Good)		
	Debts exceeding six months	850030	729,570
	Others	225,044	1,097,868
		1,075,074	1,827,438
8	CASH & BANK BALANCES		
	Cash in hand	349,857	82,126
	Balance with Schedule Bank in Current account	160,292	12,357
		510,149	94,483
9	LOANS & ADVANCES		
	a. Advances		
	for Supplies	89,897	668,546
	Employees & Others	31,155,268	29,800,575
	Excise Authorities	982,825	1,084,320
	SIPCOT	585,868	585,868
	Tax Deducted at Source	316,519	292,661
	Prepaid Expenses	-	124,896
	b. Wholly owned subsidiaries	41,202,148	21,371,531
	c. Deposit with Government Department	662,142	1,107,212
	d. S A S F	7,000,000	7,000,000
		81,994,668	62,035,609
10	CURRENT LIABILITIES & PROVISION		
	A. Current Liabilities		
	Sundry Creditors		
	- For supplies due to SME	-	-
	- For supplies others	23,986,740	6,616,428
	- For Lease Deposit		
	- For Expenses	2,683,684	3,876,968
	Advances from Customers & Other Statutory payments	2,157,743	159,183
	Book OD From HDFC BANK	-	2,078,460

B. Interest Free sales tax deferred loan: New	10,462,873	12,962,873
Interest Free sales tax deferred loan: Expansion	2,172,071	2,172,071
	41,463,111	27,865,984

PAN ELECTRONICS (INDIA) LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31.03.2011

SCH NO.	PARTICULARS	31-Mar-2011	31-Mar-2010
		Rs.	Rs.
11	SALES		
	State Sales	2,451,668	1,100,982
	Inter-State Sales	1,942,809	2,689,764
	Export Sales	16,679	135,364
	Excise Duty on Sales	267,477	314,359
		4,678,633	4,240,469
12	JOB WORK		
	Job work charges	881,219	1,253,853
		881,219	1,253,853
13	OTHER INCOME		
	Interest		
	Foreign Exchange Fluctuation	15,337	6,478
	Misc Income	53,423	
		68,760	6,478
14	DECRETION TO STOCKS		
	Finished goods - Opening	525,517	1,665,326
		525,517	1,665,326
	Finished goods - Closing	410,636	525,517
		410,636	525,517
		(114,881)	(1,139,809)
15	COST OF GOODS SOLD :		
	CONSUMPTION OF RAW MATERIALS :		
	OPENING STOCK	274,786	812,349
	ADD : PURCHASES & CARRIAGE INWARD	2,102,855	3,103,321
		2,377,641	3,915,670
	LESS : CLOSING STOCK	14,585	274,786
		2,363,056	3,640,884
16	MANUFACTURING EXPENSES		
	Consumable, Stores & Spares, Packing material	102,141	92,924
	Power, Fuel & Water Charges	53,100	882,406
	Repairs - Machinery	69,339	266,707
	Repairs - Other assets		185,667
	Jobwork Charges	503,945	215,680
		728,525	1,643,384

17	ADMINISTRATIVE EXPENSES		
	Personal Costs	77,577	820,762
	Telephones	28,539	102,819
	Vehicle Maintenance	3,437	31,127
	Travelling & Conveyance	55,132	18,604
	Printing & Stationery	14,092	51,296
	Rent	26,000	21,000
	Insurance Charges		13,000
	Miscellaneous Expenses	63,371	47,163
	Rates & Taxes		19,150
	Professional Charges	113,540	135,390
	Auditors Remuneration	10,000	10,000
	Directors sitting fee & Board meeting expenses	43,910	4,000
	Share Transfer expenses	46,665	53,932
	Watch & Ward	36,884	355,719
		519,147	1,683,962
18	SELLING EXPENSES		
	Packing & Forwarding - Promotion expenses	57,245	412,998
	Sales Promotion Expenses	8,500	-
		65,745	412,998
19	FINANCE CHARGES :		
	BANK CHARGES	39,529	13,681
		39,529	13,681

SCHEDULE 20 - Accounting policies on consolidated accounts for the year ended 31 March 2011

ACCOUNTING POLICIES:

1. ACCOUNTING CONVENTION

Accounts are maintained on an accrual basis under the historical cost convention.

2. FIXED ASSETS

Building and Plant and Machinery are stated at revalued cost less depreciation. Additions to Plant and Machinery and Building after 01.04.1993 are stated at cost of acquisition less depreciation. Other assets are stated at their original cost less depreciation.

3. DEPRECIATION

Depreciation on Fixed Assets has been provided on the Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.

4. INVENTORIES

Inventories, except depot stocks, are valued at lower of cost or net realizable value. Cost has been arrived at adopting the first-in-first-out cost formula. Depot stocks are valued at the proforma prices at which they are cleared from the factory on which excise duty is paid.

5. INVESTMENTS

Investments are stated at cost and no provision is made for the diminution in the market value of investments as they are intended to be held as long term investments.

6. RETIREMENT BENEFITS

The gratuity is settled as & when an employee leaves the service thru Employees Gratuity Fund A/c. Provisions for Provident Fund and Leave encashment are made based on the actual amount payable.

7. STATE SUBSIDY

State Subsidy is treated as deferred income and is recognized in the Profit and Loss Account over the period and in proportion to the depreciation on assets on which subsidy was originally granted.

8. Borrowing costs:

Borrowing costs eligible for capitalization are capitalized to the cost of qualifying assets. Other borrowing costs are treated as expensed.

9. Segmental reporting:

All the products / activities of the company are subject to the same risks and returns and as such, do not comprise separate segments. Hence the question of segmental reporting as required by Accounting Standard 17 issued by the Institute of Chartered Accountants of India does not arise.

10. Foreign currency transaction:

- a. All foreign currency transactions are recorded at the rates prevailing on the date of the transaction.
- b. All foreign currency assets and liabilities are restated at the exchange rate prevailing at the year end.

11. GENERAL

Accounting policies not specifically referred to conform to the requirements of generally accepted accounting principles and the accounting standards prescribed by the Institute of Chartered Accountants of India.

Schedule 21 - NOTES FORMING PART OF ACCOUNTS.

1. Claims against the Company not acknowledged as debts Rs 363.38 Lakhs towards Central Excise and sales tax. (Previous Year Rs 363.38 lacs)

2. Contingent liabilities:

- (i) For bills discounted with Banks Rs. NIL (Previous year - NIL).
(ii) Corporate Guarantee given to Industrial Development Bank of India (guaranteeing due repayment of Non Convertible Debentures of Rs.770 lakhs (Previous year Rs.770 lakhs) by Venlon Metalising Private Limited.

3. Confirmation of certain balances appearing under secured loan, unsecured loans, loans & advances, sundry advances, sundry debtors/creditors are pending and necessary adjustments, if required, will be made as and when the accounts are reconciled and settled. In respect of dues to financial institutions, the Company has not provided penal interest and liquidated damages charged by financial institution pending negotiations, amount of which is not ascertainable.

4. Managerial Remuneration under Section 198 of the Companies Act, 1956 paid to Shri Nitesh Rohera, Managing Director Rs. NIL (Previous year NIL) Provident Fund Contribution by employer is Rs. NIL (Previous year Rs. NIL). MD has waived the drawl of salary during the year.

5. Auditors Remuneration:	Current year	Previous year
a) Audit fee (Rs.)	10,000	10,000
b) Out of pocket expenses	0	0
TOTAL (Rs.)	10,000	10,000

6. Additional information pursuant to the provisions under Part III of Schedule VI of the Companies Act, 1956

a. CAPACITY / PRODUCTION

		Polypropylene / Polyester Film (In tons)		Job work in tons	Elements (in pcs)	Capacitors in millions
1	Licensed capacity	31.3.2011	600.00	-	120	3
		31.3.2010	600.00	-	120	3
2	Installed capacity	31.3.2011	600.00	-	6	
		31.3.2010	600.00	-	6	
3	Production	31.3.2011	6.69	8.39	91,320	0
		31.3.2010	12.542	13.658	44,911	0

b. MATERIALS OBTAINED FROM JOB WORKER: Capacitors (Num)

31.3.2011	-NIL-
31.3.2010	-NIL-

7. TURN OVER AND STOCKS

TURN OVER

	Unit	Current year 2011		Previous year 2010	
		Qty	Value Rs	Qty	Value Rs
1. Polypropylene / Polyester Film	Ton	6.321	2,749,635	13.198	3,706,587
2. Capacitor Elements	Num	91,911	1,378,665	46776	533,882
3. Capacitors	Num	-	-	-	-

Total Rs.		4,128,300	4,240,469
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STOCKS

	Unit	Current year 2011		Previous year 2010	
		Qty	Value Rs	Qty	Value Rs
1. Polypropylene / Polyester Film	Tons	1.331	578,985	1.635	829,806
2. Capacitor Elements	Num	23,698	260,678	24,239	339,346
3. Capacitors	Num	0	0	0	0
4. Excise duty payable on FG			0		0
Total Rs.			839,663		1,169,152

8. RAW MATERIALS CONSUMPTION

	Current year 2011		Previous year 2010	
	Value Rs	%	Value Rs	%
Imported raw materials	127,847	8	2,038,598	56
Indigenous raw materials	1,499,937	92	1,602,286	44
TOTAL	1,627,784	100	3,640,884	100

STORES & SPARES CONSUMPTION

	Current year 2011		Previous year 2010	
	Value Rs	%	Value Rs	%
Imported	0	0	0	0
Indigenous	33,498	100	92,924	100
TOTAL	33,498	100	92,924	100

9. CIF Value of imports:

	Current year 2011	Previous year 2010
Raw materials	127,847	2,038,598
Stores & Spares		
TOTAL	127,847	2,083,598

10. Expenditure in foreign currency Rs. 1.14 lakhs (Previous year - NIL)

11. Earnings in foreign currency Rs. 1.23 lakhs (Previous year - NIL)

12. The names of the SSIs to whom the amount which is outstanding for more than 30 days as on 31st March 2011 are as under: NIL

13. Loans and advances include:

Advance to wholly owned Subsidiary Company Venlon Metalising Pvt Ltd Rs. 44.04 Lakhs. (Previous year Rs.9.25 lakhs)

Advance to wholly owned Subsidiary Company Venlon Metacoat Pvt Ltd Rs. 345.82 lakhs (Previous year Rs. 346.68 lakhs)

14. Related party transactions (As at 31.3.2011):

Particular	Rs. In lacs	VMI	VMPL	VMC
Purchases of goods		3.14	-	-
Sale of Goods		-	-	-
Purchase of fixed assets		-	-	-

Sale of fixed asset	-	-	-
Rendering of services			
Receiving of services			
Agency Arrangements	-	-	-
Leasing or hire purchase arrangements	-	-	-
Transfer of research & development	-	-	-
License agreements	-	-	-
Finance received (including loans & equity contributions in cash or in kind		44.04	345.82
Guarantees & collateral management contracts including for deputation of employees amount	-	770	

- (a) VMI- Venlon Metallica Industries- a Firm in which the Directors are interested.
(b) VMPL- Venlon Metallising Private Limited – which is a wholly owned subsidiary
(c) VMC- Venlon Metacoat Private Limited- which is a wholly owned subsidiary

15. Previous year's figures have been regrouped / reclassified, wherever necessary.

As per our attached report of even date

Chartered Accountants

For and on behalf of the Board

V Ganesh
Chartered Accountant

Nanik G Rohera
Chairman

Nitesh Rohera
Managing Director

Date: 21 July 2011

G Nagaraju
Director

K M Mudaiah
Director

PAN ELECTRONICS (INDIA) LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS:

Registration No	State code No	Balance Sheet Date
U00309KA1982PTC004960	08	31.03.2011

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS: (Amount in Rs. thousands)

Total Liabilities	Total assets
312,361	312,361

SOURCES OF FUNDS:

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
40,000	10,866	261,495	-

APPLICATION OF FUNDS:

Net fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Capital WIP
11,769	2,834	42,555	-	-

ACCUMULATED LOSSES: 255,202

IV. PERFORMANCE OF COMPANY (IN RS. thousands)

Turn over	Total Expenditure	+Profit/Loss before tax	+Profit/Loss after tax
5,465	8,481	- 2883	-2883

(Please tick appropriate box + for Profit - for Loss -)

Earning per Share in Rs. - 0.72

Dividend Rate %: NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(as per monetary terms)

Item Code No (ITC Code)	Product description
85321002	Electronic Capacitor Grade Metallised Polypropylene
85322104	Plastic film capacitor elements / Capacitors
85321002	Electronic capacitor grade metallised polyester film

As per our Report of Even date

for and on behalf of the Board

V. Ganesh
Chartered AccountantNanik G Rohera
ChairmanNitesh Rohera
Managing DirectorPLACE: Bangalore
DATE: 21.07.2011G Nagaraju
DirectorK M Madaiah
Director

PAN ELECTRONICS (INDIA) LIMITED
 Regd Office: 69 Cubbonpet, III Cross,
 BANGALORE 560 002

TWENTY EIGHTH ANNUAL GENERAL MEETING ATTENDANCE SLIP

Folio No

Num of Shares

(To be filled by the Shareholder)

I hereby record my presence at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held at Vijay nagar Club, Vijay Nagar, Bangalore on 7 September 2011 at 3.00 pm

MEMBER'S SIGNATURE

Note:

1. A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at entrance.
2. Member intending to appoint a Proxy, should complete the Proxy form and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

PAN ELECTRONICS (INDIA) LIMITED
 Regd Office: 69 Cubbonpet, III Cross,
 BANGALORE 560 002

TWENTY EIGHTH ANNUAL GENERAL MEETING ATTENDANCE SLIP

PROXY FORM

Folio No

Num of Shares

(To be filled by the Shareholder)

I/We----- being a Member / Members of PAN ELECTRONICS (INDIA) LIMITED, hereby appoint -----
 -----of----- in the district of -----or failing him ----- of
 -----in the district of ----- as my / our Proxy to vote for me / us on my / our behalf at the
 28th Annual General Meeting of the Company to be held on 7 September 2011 and at any adjournment thereof.

Affix Re. 1 Revenue Stamp

Signed this----- day of----- 2011

Name -----

Address-----

N.B:

The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

S. VISWANATHAN

Company Secretary


No.9, Sai Bhavan, I B Main,
7th Cross, B.M.P. Mico Layout,
BTM II Stage, Bangalore-560076

FORM
[SEE RULE 3]
COMPLIANCE CERTIFICATE


To,
The Members,
PAN ELECTRONICS (INDIA) LIMITED,
69, CUBBONPET, III CROSS,
BANGALORE-560002

We have examined the registers, records, books and papers of PAN ELECTRONICS (INDIA) LIMITED, BANGALORE, maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3) The Company being public limited company has the minimum prescribed paid-up capital.
- 4) The Board of Directors duly met FOUR times on 21/04/2010, 28/07/2010, 29/10/2010 & 03/02/2011 in respect of which meetings proper notices were given and were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
- 5) The Company has closed its Register of Members FROM 31/08/2011 TO 06/09/2011 during the year.
- 6) The annual general meeting for the financial year ended on 31/03/2010 was held on 15/09/2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7) No extra ordinary meeting was held during the financial year.


S. VISWANATHAN.
COMPANY SECRETARY
ACS No: 789 C.V. 2011

- 8) The management has certified that the Company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
- 9) The Company has not entered into any contracts attracting the provisions of section 297 of the Act in respect of contracts specified in that section.
- 10) The Company has made necessary entries in the register maintained under section 301 of the Act.
- 11) The Company was not required to obtain any approval under Section 314 of the Act during the year under review. .
- 12) The Company has not issued any duplicate share certificates during the financial year.
- 13) The Company has:
 - (i) Not made any allotment /transfer/transmission of securities during the financial year
 - (ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) Not required to post warrants to any member as no dividend was declared during the financial year..
 - (iv) duly complied with the requirements of section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted and no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been made during the financial year..
- 15) The Company has not appointed any Managing Director or Whole-time during the financial Year.
- 16) The appointment of sole-selling agents is not applicable.
- 17) The Company was not required to obtain approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed, under the various provisions of the Act during the financial year.
- 18) The directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 19) The Company has not issued shares, debentures or other securities during the financial year.
- 20) The Company has not bought back any shares during the financial year.
- 21) The Company has not issued any preference shares during the financial year.


S.VISWANATHAN
COMPANY SECRETARY
ACS NUMBER: P.1021

S.VISWANATHAN

Company Secretary

No.9, Sai Bhavan , I B, Main, B.M.P.
Mico Layout, B.T.M. II Stage,
Bangalore-560076 Tel. 26784265

- 22) The Company has not declared any dividend or issued rights shares or bonus shares during the financial year under scrutiny.
- 23) The Company has not accepted any deposits from public under the provisions of sections 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975, during the financial year under scrutiny.
- 24) The provisions of Section 293(1)(d) of the Act have been complied with by the Company.
- 25) The Company has granted advance in the nature of unsecured loans to two wholly owned subsidiary companies covered in the register maintained under section 301 of the companies Act 1956. The two subsidiary companies are not in operation and the company has made a package for sale of these companies.
- 26) The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one State to another during the financial year under scrutiny.
- 27) The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny.
- 28) The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
- 29) The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year under scrutiny.
- 30) The Company has not altered the provisions of the Articles of association during the financial year under scrutiny.
- 31) No prosecution notice is initiated against or show cause notices received by the Company for alleged offences under the Act and as such no fines and penalties or any other punishment has been imposed on the company during the financial year.
- 32) The Company has not received any security from its employees during the financial year under scrutiny.
- 33) The provisions of Employees Provident Fund Act are applicable to the Company and the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act..

Place: BANGALORE
Date: 21./07/2011.


S. VISWANATHAN
C.O.P. NO: 2021

S. VISWANATHAN,
COMPANY SECRETARY
ACS No: 780 C.P. 2021

Annexure - A

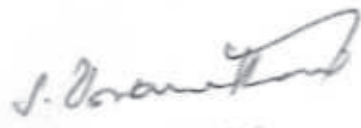
Registers as maintained by the Company

1. Register of Members u/s 150 & Index of Members u/s 151.
2. Register of Directors u/s 303
3. Register of Directors share holding u/s 307
4. Minutes Book u/s 193.
5. Register of Contracts. u/s 301
6. Register of Charges u/s 143

Annexure - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

1. Balance sheet filed u/s 220 for Annual accounts.
2. Schedule V filed u/s 159 for Annual Return.
3. Comp. Certificate u/s 383 A of the Act.


S. VISWANATHAN
COMPANY SECRETARY
ADDRESS: ...