



**PAN**  
**ELECTRONICS (INDIA) LTD.**

**32<sup>nd</sup>**

**ANNUAL REPORT**

2014 - 2015

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Shri Gullu Talreja	Chairman & Managing Director (from 6 January 2015)
Shri Abhishek Talreja	Additional Director (from 6 January 2015)
Shri H N Tarachandani	Additional Director (Independent) (from 10 August 2015)
Smt Sangeeta Laxmi Bhatt	Additional Director (Independent) (from 10 August 2015)
Shri K Mudaiah	Independent Director (till 10 August 2015)
Shri G Nagaraju	Independent Director (till 10 August 2015)
Smt Kanchan Dutta	Independent Director (till 10 August 2015)

**STATUTORY AUDITORS:**

Mr Shreesh Kumar Eshwar Hegde of M/s. MSRK & Co, Chartered Accountant, Bangalore

**BANKERS**

Stat Bank of India, Peenya Branch, Bangalore

**REGISTERED OFFICE:**

69, 3rd Cross, Cubbon pet, 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  
<http://www.panelectronicsindia.com/investors>

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**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED will be held on Friday 25<sup>th</sup> September, 2015 at 3.00 PM at Vijay Nagar club, Vijay nagar, Bangalore to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2015, audited cash flow statement as on that date and audited Profit and Loss account for the year ended as on that date and reports of the Board of Directors, Corporate Governance and Auditors thereon.
2. To appoint Statutory Auditors in place of MSRK & Co to hold office from the conclusion of this meeting till the conclusion of the third consecutive Annual General Meeting, subject to ratification at every annual general meeting and to authorize the Board of Directors to fix their remuneration. Shreesh & Co, Chartered Accountant, have given their consent to be appointed as Statutory Auditors.

**SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass the following, with or without modification, as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196 & 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Clause 49 of the Listing Agreement, and the Companies [Appointment and remuneration of managerial personnel] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the appointment of Shri. Abhishek Talreja (DIN: 05007867) as Whole Time Director of the Company for a period of five consecutive years from 6 January 2015, upon terms and conditions and payment of remuneration and other perquisites as per agreement. He was appointed as an Additional Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director.”

4. To consider and if thought fit, to pass the following, with or without modification, as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Shri. H N Tarachandani (DIN: 00965808), who was appointed as an Additional Director on 10 August 2015 liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the

office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Smt. Sangeeta Laxmi Bhatt (DIN: 07246458), who was appointed as an Additional Director on 10 August 2015 liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

Place: Bangalore

Date: 14/08/2015

By Order of the Board

**Gullu Talreja**  
Chairman

**Registered Office:**

69, 3<sup>rd</sup> cross

Cubbon Pet

Bangalore 560002

CIN: L00309KA1982PLC004960

**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 him and such proxy need not be a member of the Company. In order for proxies to be effective, they must be received by the Company not less than 48 hours before the meeting.
2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to offer the facility for e-voting for all the businesses mentioned in the notice. The members can exercise their right to vote through electronic means. The instruction for e-voting is annexed to the notice.
4. The Register of members and the Share Transfer Books in respect of the equity shares of the company will remain closed from 18/09/2015 to 25/09/2015 (both days inclusive).
5. Members are requested to notify change in address, if any, immediately to M/s Integrated Enterprises., Registrars and Share Transfer Agents situated at 30, Ramana Residency, 4<sup>th</sup> cross, Sampige Road, Malleshwaram, Bangalore 560003, quoting folio number / demat particulars.
6. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The e-mails ids may be sent to the Company's registered office or to the Registrar and Share Transfer agents through a letter duly signed by the member indicating Folio number/demat particulars.
7. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 10 a.m. and 1.00 p.m. on all working days upto the day of the Annual General Meeting.
8. Members/Proxies should bring the Annual report and the duly filled in Attendance Slip. The attendance slip shall be handed over at the entrance of the hall.

**Place:** Bangalore  
**Date:** 14/08/2015

By Order of the Board

**Gullu Talreja**  
Chairman & Managing Director

**Corporate Office:**  
16B Peenya Industrial Area Phase I,  
Bangalore 560052

**EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013****Item # 3 to 5:**

Shri Abhishek Talreja is being appointed as Whole Time Director. Shri. H N Tarachandani and Smt. Sangeeta Laxmi Bhatt are being appointed as Independent Directors of the Company.

As per the new Companies Act 2013, read with the revised Clause 49 of the listing agreement, it is proposed to appoint Shri Abhishek Talreja as Whole time Director and Shri. H N Tarachandani and Smt. Sangeeta Laxmi Bhatt as Independent Directors to hold office for five consecutive years w.e.f. the date of this annual general meeting. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. Shri Abhishek Talreja was co-opted as Additional Director at the meeting of Board of Directors on 6 January 2015 and is not disqualified for the appointment. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri Abhishek Talreja, Shri. H N Tarachandani and Smt. Sangeeta Laxmi Bhatt for the office of Directors of the Company.

The Company has also received disclosures and declarations from Shri. H N Tarachandani and Smt. Sangeeta Laxmi Bhatt that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri. H N Tarachandani and Smt. Sangeeta Laxmi Bhatt fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Shri Abhishek Talreja fulfills the conditions for appointment as Whole Time Director as specified in the Act and Listing Agreement.

Brief resume of Shri Abhishek Talreja, Shri. H N Tarachandani and Smt. Sangeeta Laxmi Bhatt, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Shri. Abhishek Talreja, Shri. H N Tarachandani and Smt. Sangeeta Laxmi Bhatt are interested in the resolutions set out respectively at Item Nos. 3 to 5 of the Notice with regard to their respective appointments. The relatives of Shri. Abhishek Talreja, Shri. H N Tarachandani and Smt. Sangeeta Laxmi Bhatt may be deemed to be interested in the resolutions set out respectively at Item Numbers 3 to 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends the Special Resolutions set out at Item # 3 to 5 of the Notice for approval by the shareholders.

**Instructions for E-voting:**

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility. The e-voting particulars are set out below:

EVSN (E-Voting Sequence Number)	<b>150907138</b>
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The e-voting facility will be available during the following voting period:

Commencement of e-voting : From **10.00 a.m.** (IST) on **21 September 2015**

End of e-voting : Up to **6.00 p.m.** (IST) on **24 September 2015**

The instructions for E-voting are as under:

- (i) The share holder should log in to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab to cast your votes.
- (iii) Enter the user id and the CAPTCHA code as appearing on the screen.
- (iv) If you are holding shares in Demat form and have already voted earlier on [www.evotingindia.com](http://www.evotingindia.com) for a voting of any other Company, then your existing login id and password are to be used.
- (v) If you are a first time user follow the steps given below.

Fill up the following details in the appropriate boxes:

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department and updated with the Company when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.	

\*Only those Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of sequence numbers (eg 00000001) in the PAN field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) Click on the relevant EVSN on which you choose to vote.
- (ix) On the voting page, you will see Resolution Description and against the same the option "For/Yes/Favour and Against/No" for voting. Select the option "I/We assent to the Resolution for FOR/YES/FAVOUR or "I/We dissent to the Resolution for AGAINST/NO" as desired. The option FOR/YES/FAVOUR implies that you assent to the Resolution and option AGAINST/NO implies that you dissent to the Resolution.
- (x) Click on the "Resolutions File" link if you wish to view the entire Resolutions.
- (xi) After selecting the resolutions you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution or POA in favour of the Custodian who they have authorised to vote on their behalf, if any, in PDF format in the system for the scrutinizer to verify the vote.
- (xiv) During the voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **10 September 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xvi) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 10 September 2015.
- (xvii) **Shri Vivek Bhat, Company Secretary**, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xviii) The scrutiniser shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xix) The results of the e-voting along with the scrutinizers report shall be placed on the Company's website [www.panelectronicsindia.com/investors](http://www.panelectronicsindia.com/investors) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Second Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31<sup>st</sup> March 2015.

FINANCIAL RESULTS		As At 31st March 2015 Rupees	As At 31st March 2014 Rupees
<b>01</b>	<b>REVENUE FROM OPERATIONS</b>		0
	Less : Excise Duty		0
	Net Revenue from Operations		
<b>02</b>	<b>OTHER INCOME</b>	1,585,758	73,100
<b>03</b>	<b>TOTAL REVENUE [ 1 + 2 ]</b>	<b>1,585,758</b>	<b>73,100</b>
<b>04</b>	<b>EXPENSES</b>		
	Cost of Material Consumed	76,738	20,700
	Purchases of Stock in Trade		
	Changes in Inventories of Finished Goods, WIP & Stock in Trade	(229,724)	410,636
	Employee Benefit Expenses	1,530,010	1,465,132
	Finance Cost	0	716,431
	Depreciation and Amortization Expenses	96,358	2,807,365
	Other Expenses	3,516,348	81527249
	<b>Total Expenses</b>	<b>4,989,729</b>	<b>86,947,513</b>
<b>05</b>	<b>PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX [3-4]</b>	3,403,971	86,874,413
<b>06</b>	<b>EXCEPTIONAL ITEMS</b>	0	193,601,074
<b>07</b>	<b>PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX [5-6]</b>	3,403,971	106,726,661
<b>08</b>	<b>EXTRAORDINARY ITEMS</b>	-	-
<b>09</b>	<b>PROFIT / (LOSS) BEFORE TAX [ 7 - 8 ]</b>	3,403,971	106,726,661
<b>10</b>	<b>TAX EXPENSES</b>		
	1. Current Tax [MAT]	-	-
	Less: MAT Credit entitlement	-	-
	Net Current Tax	-	-
	2. Deferred Tax: Asset/(Liability)	-	-
<b>11</b>	<b>PROFIT / [ LOSS] FOR THE PERIOD FROM CONTINUING OPERATIONS [9-10]</b>	3,403,971	106,726,661
<b>12</b>	<b>PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS</b>	-	-
<b>13</b>	<b>TAX EXPENSES OF DISCONTINUING OPERATIONS</b>	-	-
<b>14</b>	<b>PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS [AFTER TAX] [12-13]</b>	-	-
<b>15</b>	<b>PROFIT / [LOSS] FOR THE PERIOD [11+14]</b>	3,403,911	106,726,661
<b>16</b>	<b>EARNING PER EQUITY SHARE ( Basic and Diluted)</b>	(0.85)	26.68

Note: Figures in bracket indicate loss. Previous year's figures have been regrouped / reclassified wherever necessary.

**DIVIDEND:**

Since the unabsorbed loss persists, the Directors have not recommended any dividend for the year.

**PROFITABILITY:**

Due to adverse market conditions in the industry, there is a loss in the company. Depreciation is a contributor for the book loss and the Company does not have cash loss. There has been underutilization leading to loss. However, the Company has settled and paid all FIIs and Banks.

**FINANCE AND TAXATION:**

The company does not have any financial limits with any Bank.

Income tax assessment for the assessment years 2012-13 is in progress.

**FIXED DEPOSITS:**

During the year under review, the Company has not accepted any Fixed Deposits from the Public.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTFLOW:**

As required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in the annexure 'A' forming part of this Report.

**INDUSTRIAL RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Directors are pleased to record the appreciation and sense of commitment shown by our employees at all levels and acknowledges their contribution towards sustained progress of the Company. The relations between Management and Employees are good. Due to continued losses, CSR activity could not be taken up this year also.

**DIRECTORS:**

The Board consists of five directors of whom three are independent directors.

Notice of meeting has adequately covered re-appointment of Directors to be in consonance with Companies Act 2013

**LISTING AGREEMENT WITH STOCK EXCHANGES:**

Listing agreement with the Bombay Stock Exchange Ltd, Mumbai continues to be valid and the Company has been regular in paying requisite fees. The Company's ISIN is: INE648E01010

**CORPORATE GOVERNANCE**

The Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance, along with a certificate from M/s MSRK & Co, Chartered Accountant, for the compliance is annexed and forms part of this report.

## COMPANY SECRETARY

Continuous efforts are being made in this respect to identify a suitable candidate keeping in view of the provisions contained in Companies Act, 2013. The duties are presently complied by Company's tax auditing firm's partner who is a qualified Company Secretary.

## AUDITORS:

M/s MSRK & Co, Bangalore, Chartered Accountants, (Firm #: 013232S) Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and have not consented for reappointment. The Board has received consent and certificate (as required as per section 139 of Companies Act 2013) from M/s Shreesh & Co, Bangalore, Chartered Accountant (Firm # 015828S) for their appointment as Statutory Auditors of the Company. The Board recommends their appointment and you are requested to appoint them and authorize the Board to fix their remuneration.

Certificate of the Statutory Auditors, regarding COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE forms part of the Annual report.

## PARTICULARS OF EMPLOYEES UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

The particulars are furnished in Annexure B and forms part of Directors' Report.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to clause (c) of sub section (3) of Section 134 of the Companies Act, 2013 (the Act) it is hereby declared:

- (i) That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (ii) That 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 that period;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the annual accounts on a going concern basis.
- (v) that the internal financial controls are adequate and are operating effectively
- (vi) that the Board has devised proper systems to ensure compliance of all applicable laws and such systems are adequate and operating effectively.

## AUDITORS REMARKS

**Regarding non obtainment of confirmations:** the Board does not foresee any material impact on the accounts of the company on reconciliations.

**MANAGEMENT DISCUSSION & ANALYSIS**

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 reduction in margins and fluctuations in import 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	Outlook for the company	The Company has successfully paid Financial Institutions all dues. The Company is now looking forward positively to restart commercial production to improve profitability.
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. Benefits from write backs of Financial Institution has resulted in positive Net profit
H	Material development in human resources / industrial relations front, including number of people employed	The Company continues to give thrust to human resource development and industrial relations. The Company effected reduction, maximum of its employees during the year, by paying suitable compensation as per Law. Permanent Employees: 3

**Cautionary Statement**

*Statements in this "Management Discussion and Analysis" contain forward looking statements which may be identified by the use of words in that directions 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.*

*These are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements, on the basis of any subsequent development, information or events.*

**For and on behalf of the Board of Directors**

**Bangalore  
14 August 2015**

**Gullu Talreja  
Chairman & Managing Director**

**Annexure 'A' 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.
D	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

**FORM A (See Rule 2)**

Form of Disclosure of Particulars with respect to Conservation of Energy  
This does not arise, as there is no production.

**Annexure 'B' to Directors' Report**

Particulars of Employees under 197(12) of the Companies Act 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

There are no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.60,00,000/- per annum (or Rs.5,00,000/- per month) in respect of part of the year during the year under audit.

**Bangalore**  
**14 August 2015**

**For and on behalf of the Board of Directors**  
**GULLU TALREJA**  
**Chairman & Managing Director**

## Corporate Governance Report for the year 2014-15

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

### 1. Company's philosophy on Corporate Governance

Corporate Governance is an integral part of the values, ethics and the best business practices followed by the company. The core values of the Company are :

- Commitment to excellence and customer satisfaction
- Maximizing long-term shareholder's value
- Socially valued enterprise
- Caring for people and environment
- Integrity including intellectual honesty, openness, fairness and trust

### 2. Board of Directors

The names and categories of the Directors on the Board, and their attendance at the Board Meetings during the year is given below:

Name	Category	Date of last A.G.M	No. of Board Meetings	No. of other Directorship	No. of other Committee Membership
		25.09.14	Attended / Held	(In public Companies)	
Shri. Gullu Tarleja DoB: 12 March 1952 DoA: 6 January 2015	Chairman & Managing Director	Present	1/1	NIL	NIL
Shri Abhishek Talreja DoB: 26 July 1980 DoA: 6 January 2015	Whole time Director, Non-Independent – Executive	Present	1/1	NIL	2
Shri. H N Tarachandani DoA: 10 August 2015	Independent Non-Executive	N.A.	N.A.	NIL	2
Smt Sangeeta Laxmi Bhatt DoA: 10 August 2015	Independent Non-Executive	N.A.	N.A.	NIL	2
Shri K Madaiah DoR: 10 August 2015	Independent Non-Executive	Present	4/4	NIL	1
Shri G Nagaraju DoR: 10 August 2015	Independent Non-Executive	Present	4/4	NIL	1
Smt Kanchan Dutta DoR: 10 August 2015	Independent Non-Executive	N.A.	3/3	NIL	1

Note: No significant queries were raised on Accounts at the AGM held on 25.09.14.

DoB: Date of Birth; DoA: Date of Appointment; DoR: Date of Resignation

#### **Brief Resume of Managing and Whole time Directors:**

##### **Shri Gullu Talreja**

Financially & Marketing literate and marketing expert promoter director and is Chairman & Managing Director of Company

##### **Shri Abhishek Talreja**

Operations & Marketing literate Executive and is the Whole time Director of the Company

### 3. Audit Committee

The Board reconstituted the Audit Committee on 06/01/2015. The terms of reference of the Audit Committee broadly are as under:

- a) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the Accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors and its redressal.
- b) To review compliance with internal control systems
- c) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board
- d) To make recommendations to the Board on any matter relating to the financial management of the Company.
- e) Recommending the appointment of Statutory Auditors.
- f) Others (As covered in Clause 49 (II)(D) of the listing agreement)

The composition of the Audit Committee and the details of meetings attended by the Members are given below:

Name of Member	Category	No. Of meetings	
		HELD	ATTENDED
Shri. H N Tarachandani, Chairman	Independent Non-Executive	NA	NA
Smt Sangeeta Laxmi Bhatt	Independent Non-Executive	NA	NA
Shri Abhishek Talreja	Whole Time Director	1	1
Shri G Nagaraju	Independent Non-Executive	4	4
Shri K Madaiah	Independent Non-Executive	4	4

Four Audit Committee Meetings were held during the year 2014-15. The said meetings were held on the following dates: 28/5/2014, 14/8/2014, 30/10/2014 and 06/01/2015.

Audit Committee meetings are attended by Managing Director, Statutory Auditor, Internal Auditor and the Accounts Officer of the Company.

### 4. Remuneration Committee

The Board reconstituted the Remuneration Committee on 10/08/2015. The terms of reference to the committee are as per the requirements of Clause 49 of the Listing Agreement.

The composition of the revised Remuneration Committee is given below:

NAME OF MEMBER	CATEGORY
Shri. H N Tarachandani, Chairman	Independent Non-Executive
Shri. Sangeeta Laxmi Bhatt, Member	Independent Non-Executive

Remuneration Committee met on 06/01/2015 and recommended revised Remuneration package to Managing Director for the years 2015-16 to 2019-20.

## Remuneration Policy

The Company has adhered to provisions of Schedule V of the Companies Act, 2013 while fixing the remuneration package to its Managing Director and Executive Director.

### Details of remuneration for 2014-15 and Tenure:

Name	Remuneration	Sitting Fee	Tenure
Shri Gullu Talreja	Nil	Rs. 2500	Upto date in Form 25C
Shri Abhishek Talreja	Nil	Rs. 2500	Appointment has been proposed for 5 years wef 25 Sept 2015
Shri H N Tarachandani	Nil	Rs. 2500	Appointment has been proposed for 5 years wef 25 Sept 2015
Smt Sangeeta Laxmi Bhatt	Nil	Rs. 2500	Appointment has been proposed for 5 years wef 25 Sept 2015

Disclosure of shares held by Non –Executive Directors in the Company as on 31/03/2015

Shri. H N Tarachandani – NIL

Smt Sangeeta Laxmi Bhatt – NIL

## 5. Shareholders and grievances Committee

The composition of the Investor Grievance Committee which also approves share transfer in physical form is given below:

NAME OF MEMBERS	CATEGORY
Shri. Gullu Talreja, Chairman	Chairman (from 6 January 2015)
Shri. Abhishek Talreja, Member	Executive (from 6 January 2015)

Scope:

- i) To approve transfer and transmission of shares in Physical form.
- ii) To oversee redressal of complaints.
- iii) To approve Remat of Shares

Meetings were held on: 3/4/14, 3/7/14, 14/11/14 and 28/2/15

## 6. Name & designation of Compliance Officer :

Shri Abhishek Talreja, Director

## 7. General Body Meetings

a) Location and time, where last three Annual General Meetings (AGM) were held:



Date of AGM	Type of Meeting	Location and Time
26/09/2012 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bangalore
25/09/2013 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bangalore
25/09/2014 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bangalore

#### b) Investor Complaints:

No. of complaints received from Shareholders from 1.4.2014 to 31.3.2015	Nil
No. of complaints solved to the satisfaction of the Shareholders	NA
Pending	Nil

#### 8. Disclosures

- Disclosures on materially significant related party transactions i.e. Transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of Company at large: As per Balance sheet
- Details of non –compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL

#### 9. Means of communication

1) Quarterly Results are normally published in Financial newspaper

Any website, where displayed – On company website:

[www.panelectronicsindia.com/investors](http://www.panelectronicsindia.com/investors)

Whether it also displays official news releases and presentation made to intuitional investors or to the analysts – N.A.

Whether MD&A is a part of annual report or not – Yes

2) Company's Email ID to receive complaints and grievances from investors is [investors@panelectronicsindia.com](mailto:investors@panelectronicsindia.com).

#### 10. General Shareholder information

##### AGM: Date, time and venue:

25 Sept 2015 at Vijay Nagar Club, Vijay Nagar, Bangalore at 3.00 PM.

##### Financial Calendar:

Year ending – March 31<sup>st</sup>

**Book Closure:** 18/09/2014 to 25/09/2014 (both days inclusive)

**Listing on Stock Exchanges:**

Bombay Stock Exchange Limited, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**Stock Code:**

Stock Exchange Mumbai: 517397

**Market Price Data:**

Month	High (Rs.)	Low (Rs.)
Apr – 14	6.56	6.56
May – 14	6.55	6.00
Jun – 14	12.07	6.61
Jul – 14	22.00	12.67
Aug – 14	23.75	20.20
Sep – 14	19.80	15.35
Oct – 14	14.60	11.65
Nov – 14	11.65	9.46
Dec – 14	11.99	8.53
Jan – 15	9.93	7.64
Feb – 15	9.41	7.40
Mar – 15	7.60	6.71

**Registrar and Transfer Agents:**

M/s Integrated Enterprises Limited, 30 Raman Residency, 4<sup>th</sup> cross, Sampige road,  
Malleshwaram, Bangalore

**Share Transfer System:**

Share Transfer in physical form can be lodged with the Share Transfer Agents at the above mentioned address.

The transfers are normally processed within the stipulated time from the date of receipt of the documents if complete in all respects. Share Transfer Committee of the Board approves the transfers, if the shares are in Physical Form.

Insider trading norms are adhered and reported to stock exchanges upon information from the concerned.

**DISTRIBUTION SCHEDULE**

<b>Number of Shares</b>	<b>Number of Shareholders</b>	<b>Share Holders Percentage</b>	<b>Number of shares held</b>	<b>Shareholding Percentage</b>
Upto 5000	2277	86.97	401683	10.04
5001 to 10000	204	7.79	175595	4.39
10001 to 20000	71	2.71	105795	2.64
20001 to 30000	28	1.07	71560	1.79
30001 to 40000	13	0.50	47200	1.18
40001 to 50000	6	0.23	28607	0.72
50001 to 100000	11	0.42	78100	1.95
100001 & above	8	0.31	3091460	77.29
<b>TOTAL</b>	<b>4689</b>	<b>100.00%</b>	<b>4000000</b>	<b>100.00%</b>

**Dematerialization of shares and liquidity:**

Shares in physical form can be de-materialized and dealt on NSDL/CDSL. As on 31<sup>st</sup> March, 2015, 82% of Shares were held in dematerialized form and the rest in physical form.

**Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity: NONE**

**Plant Locations:**

83 SIPCOT Industrial Complex, Hosur 635 126

**Address for correspondence:**

16B Peenya Industrial Area Phase I, Peenya, Bangalore 560 052

**Share Holding Pattern as on 31/03/2015 :**

	<b>Category</b>	<b># of Shares Held</b>	<b>%age of Share Holding</b>
<b>A</b>	<b>Promoters Holding</b>		
	Promoters		
	Indian Promoters	27,92,460	69.81
	Foreign Promoters	0	0
	<b>Sub-Total</b>	<b>27,92,460</b>	<b>69.81</b>
<b>B</b>	<b>Non-Promoters Holding</b>		
	Institutional Investors		
	a. Mutual Funds & UTI	0	0
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt Institutions/ Non Government Institutions)	3,200	0.08
	c. Foreign Institutional Investors	0	0
	<b>Sub-Total</b>	<b>3,200</b>	<b>0.08</b>
	<b>Others</b>		
	a. Private Corporate Bodies	52,448	1.31
	b. Indian Public	11,10,392	27.76
	c. NRI	41,500	1.04
	<b>Subtotal</b>	<b>12,04,340</b>	<b>30.11</b>
	<b>Grand Total</b>	<b>40,00,000</b>	<b>100.00</b>

**Declaration:**

I, Gullu Talreja, Chairman & Managing Director, hereby declare that all the Board Members and Senior Management personnel have complied with code of conduct adopted by the Company.

Place: Bangalore  
Date: 14/08/2015

For and on behalf of Board of Directors

Gullu Talreja  
Chairman & Managing Director

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31 March 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule # 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Pan Electronics (India) Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pan Electronics (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I 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 BSE;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations: NIL

**I 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 were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I 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.

**I further report that** during the audit period the company has taken adequate actions about the change in Management and transfer of shares from Nanik Rohera to Gullu Talreja

*Place* : Bangalore

*Date* : 18 April 2015

Sd/

S. Vishwanathan

Company Secretary

ACS # 780 CP 2021

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2015**  
**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	L00309KA1982PLC004960
2.	Registration Date	20/09/1982
3.	Name of the Company	PAN ELECTRONICS (INDIA) LIMITED
4.	Category/Sub-category of the Company	Public Company Limited By Shares
5.	Address of the Registered office & contact details	NO.69, CUBBONPET III CROSS,BANGALORE - 560002
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Integrated Enterprises Limited 30 Raman Residency, 4 <sup>th</sup> Cross, Sampige Road, Malleshwaram Bangalore

**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	Metallised Plastic Films		90%
2	Capacitor Elements		10%
3			

**III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	187820	1714900	1902720	47.57			2792460		
b) Central Govt					2792460			69.81	22.24

c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	187820	1714900	1902720	47.57	2792460		2792460	69.81	22.24
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI	3000	200	3200	0.08	3000	200	3200	0.08	0
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	3000	200	3200	0.08	3000	200	3200	0.08	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	21300	24300	45600	1.14	21300	31148	52448	1.31	0.17
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	305285	570695	875980	21.90	309397	543495	852892	21.32	-0.58
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1000100	129900	1130000	28.25	142400	115100	257500	6.44	-21.81
c) Others (specify)									
Non Resident Indians	41500	0	41500	1.04	41500	0	41500	1.04	0



Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	1000	0	1000	0.03	10300	0	10300	0.26	0.23
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	1369185	724895	2094080	52.35	521445	682895	1204340	30.11	-22.24
Total Public Shareholding (B)=(B)(1)+(B)(2)	1372185	725095	2097280	52.43	524445	686095	1207540	30.19	-22.24
C. Shares held by Custodian for GDRs & ADRs									
<b>Grand Total (A+B+C)</b>	1560005	2439995	4000000	100	3291305	708695	4000000	100	

## 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	
1	Nanik Rohera	1704700	42.62	0	0	0	NA	-42.62
2	Nitesh Rohera	188220	4.71	0	0	0	NA	-4.71
3	Gullu Talreja	0	0	NA	2792460	69.81	0	69.81

## 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
	At the beginning of the year	1902720	47.57		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Transfer of shares			
	At the end of the year	2792460	69.81		

## D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	Cumulative Shareholding during the year
----	-------------------------------------	---	---

	No. of shares	% of total shares of company	No. of shares	% of total shares of company
At the beginning of the year	338,200	0.084%		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
At the end of the year	338,200	0.084%		

**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
	At the beginning of the year	1902720	47.57		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year	27,92,460	69.81%		

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	Nil			
i) Principal Amount		738.13		738.13
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		738.13		738.13
<b>Change in Indebtedness during the financial year</b>	NA			
* Addition		47.97		47.97
* Reduction				
<b>Net Change</b>		47.97		47.97
<b>Indebtedness at the end of the financial year</b>	Nil			
i) Principal Amount		786.10		786.10
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		786.10		786.10

**XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Krishna Kumar	----	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	900,000				900,000
	(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 (A)	900,000				900,000
	Ceiling as per the Act					

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		G Nagaraju	K Mudaiah	Kanchan Dutta	---	
1	Independent Directors					
	Fee for attending board committee meetings	10,000	10,000	5,000		25,000
	Commission	0	0	0		0
	Others, please specify	0	0	0		0
	Total (1)	10,000	10,000	5,000		25,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	NIL				
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)	10,000	10,000	5,000		25,000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL			
	(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				

## XII. 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)
<b>A. COMPANY</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NIL				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL				
Punishment					
Compounding					

**CEO/CFO CERTIFICATION**

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2015 and to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statements or any material fact or statements that might be misleading.
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with the 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 violative 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 design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies are adequate.
- d) We have indicated to the auditors and the audit committee:
- i. Significant changes in the internal control systems during the year.
  - ii. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements: and
  - iii. There are no instances of significant fraud of involving either the management or employees having a significant role in the company's internal control systems, with respect to financial reporting.

**Gullu Talreja**  
Chairman & Managing Director

**Abhishek Talreja**  
Director

Place: Bangalore  
Date: 14/08/2015

**MSRK & CO**  
CHARTERED ACCOUNTANTS

No. 19 (New No. 32), I Floor,  
10<sup>th</sup> Cross, Sampige Road,  
Malleshwaram, Bangalore - 560 003  
Tel: 080 2346 3133

## INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. PAN Electronics (India) Limited

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

1. We have audited the accompanying financial statements of PAN Electronics (India) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors are responsible for the matters stated in Section 13a(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give true and fair view of the financial position, financial performance 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 the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation statements.

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

### **Basis for qualified opinion**

8. *The balances appearing under other long term liabilities, trade payables and certain advances made by the Company are subject to confirmations and reconciliation. Accordingly, in absence of such confirmations and reconciliation of balances, we are not in a position to ascertain the impact on the statement of profit and loss.*

### **Qualified Opinion**

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in paragraph 8 of the basis for qualified opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and the losses for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

10. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid 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 2015, taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2015 from being appointed as a Director in terms of Section 164 (2) of the Act;
- f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of 31 March 2015;
  - ii. The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts;
  - iii. The Company has not declared any dividend in the past or has any unpaid dividend, thus, the clause on transferring of unpaid dividend to the Investor Education and Protection Fund is not applicable

For MSRK & Co  
Chartered Accountants  
Firm Registration Number : 013232S

Shreeshkumar Eshwar Hegde  
Membership Number: 222817  
Partner

Bengaluru  
Date : 30 May 2015



**Annexure to the Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) In respect of the fixed assets of the Company:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have not been physically verified during the year by the Management, however, there is a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. In absence of physical verification of the fixed assets, we are unable to comment on the discrepancies if any pertaining to fixed assets.
- ii) In respect of the inventories of the Company:
  - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi) The provisions of clause 3 (vi) of the Order are not applicable to the Company as, the Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it except income Tax with the appropriate authorities.

The extent of arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable are as follows:

Name of Statute	Particulars of statutory dues	Amount in Rs	Period to which the amount relates	Due Date of Payment	Remarks
Income-tax Act. 1961	Withholding of taxes	26,647	March 2014	Within 30 of April 2014	Taxes not paid
Income-tax Act. 1961	Withholding of taxes	10,470	Upto September 2014	Within 7 <sup>th</sup> of subsequent month	Taxes not paid

b) There are no amounts in respect of income tax, sales tax, wealth tax, service tax, duty of customs, value added tax and cess that have not been deposited with the appropriate authorities except duty of excise on account of any dispute. However, according to the information and explanation given to us, the following dues of duty of excise have not been deposited by the Company on account of dispute:

Name of Statute	Particulars of statutory dues	Amount in Rs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Availment of CENVAT Credit	115,000	Financial Year 2002-03	CESTAT - Chennai

c) The Company has not declared any dividend in the past or has any unpaid dividend, therefore the clause is not applicable.

viii) The Company has accumulated losses at the end of financial year which exceeds fifty percent of its net worth. The Company has incurred cash losses in the financial year and the Company has not incurred any cash losses in the immediately preceding financial year.

- ix) The Company has no dues payable to a financial institution or bank or debenture holders during the year, therefore, the provisions of the clause 3 (ix) of the Order are not applicable to the Company.
- x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- xi) According to the information and explanations given to us, the Company did not avail any term loan during the year.
- xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For MSRK & Co  
Chartered Accountants  
Firm Registration Number : 013232S

Shreeshkumar Eshwar Hegde  
Membership Number: 222817  
Partner

Bengaluru  
Date : 30 May 2015

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 of Pan Electronics (India) Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance conditions of Corporate Governance are the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors grievance committee.

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

For MSRK&CO  
Chartered Accountants  
Firm Registration Number: 013232S

PLACE: Bangalore  
DATE: 30 May 2015

SHREESH KUMAR ESHWAR HEGDE  
PARTNER  
Membership Number: 222817

**Balance sheet as at 31 March 2015***(All amounts are in Indian rupees, except share data and where otherwise stated)*

	Notes	As at 31 March 2015	As at 31 March 2014
<b>Equity and Liabilities</b>			
<b>Shareholder's funds</b>			
Share Capital	3	40,000,000	40,000,000
Reserves and Surplus	4	<u>(131,449,136)</u>	<u>(128,045,165)</u>
		(91,449,136)	(88,045,165)
<b>Non-Current Liabilities</b>			
Long-Term borrowings		-	-
Other Long Term Liabilities	5	<u>78,610,228</u>	<u>73,813,379</u>
		78,610,228	73,813,379
<b>Current Liabilities</b>			
Trade Payables	6	19,773,367	21,004,260
Other Current Liability	7	<u>1,202,075</u>	<u>26,647</u>
		20,975,442	21,030,907
<b>TOTAL</b>		<b><u>8,136,534</u></b>	<b><u>6,799,121</u></b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed Assets	8	538,715	635,073
Non Current Investments	9	<u>2,824,520</u>	<u>2,824,520</u>
		3,363,235	3,459,593
<b>Current Assets</b>			
Inventories	10	229,724	-
Sundry debtors		-	-
Cash & Bank Balances	11	1,035,674	74,356
Short Term Loans & Advances	12	<u>3,507,901</u>	<u>3,265,173</u>
		4,773,299	3,339,529
<b>TOTAL</b>		<b><u>8,136,534</u></b>	<b><u>6,799,121</u></b>

**Significant accounting policies**

2

**The notes referred to above form an integral part of the financial statements**As per our report of even date attached  
For **M S R K & CO.**

Chartered Accountants

Firm Registration Number: 013232s

**Shreeshkumar Eshwar Hegde**

Partner

Membership No. 222817

For **Pan Electronics (India) Limited****Gullu G. Talreja**

Chairman &amp; Managing Director

**Abhishek P. Talreja**

Director

**G. Nagaraju**

Director

**K. Mudaiah**

Director

**Kanchan Dutta**

Director

Place : Bengaluru

Date : 30 May 2015

Place : Bengaluru

Date : 30 May 2015

**Statement of profit and loss for the period ended 31 March 2015**  
(All amounts are in Indian rupees, except share data and where otherwise stated)

	Note	For the period ended 31 March 2015	For the period ended 31 March 2014
<b>Income</b>			
Revenue from Operations (gross)	13	-	-
Other Income	14	1,585,758	73,100
		<b>1,585,758</b>	<b>73,100</b>
<b>Expenditure</b>			
Cost of Goods Sold	15	76,738	20,700
(Increase)/Decrease in Stock	16	(229,724)	410,636
Employee Benefits expense	17	1,530,010	1,465,132
Other Expenses	18	3,516,348	81,539,782
Depreciation	8	96,358	2,807,365
Finance costs	19	-	703,898
		<b>4,989,729</b>	<b>86,947,513</b>
Profit/Loss before exceptional items and tax		<b>(3,403,971)</b>	<b>(86,874,413)</b>
Add: Exceptional Items		-	193,601,074
<b>Profit/(Loss) before and tax</b>		<b>(3,403,971)</b>	<b>106,726,661</b>
<b>Tax expense</b>			
- Current tax		-	-
- Previous year		-	-
- Deferred tax		-	-
- Prior period tax		-	-
<b>Profit (or Loss) for the period</b>		<b>(3,403,971)</b>	<b>106,726,661</b>
Earning per equity share (equity shares, par value of Rs 10 each)			
<b>Basic and diluted</b>		<b>(0.85)</b>	<b>26.68</b>
<b>Significant accounting policies</b>	<b>2</b>		
<b>The notes referred to above form an integral part of the financial statements</b>			

Earning per equity share (equity shares, par value of Rs 10 each)

**Basic and diluted** (0.85) 26.68

**Significant accounting policies** 2

**The notes referred to above form an integral part of the financial statements**

As per our report of even date attached

For **M S R K & CO.**

Chartered Accountants

Firm Registration Number: 013232s

**Shreeshkumar Eshwar Hegde**

Partner

Membership No. 222817

For **Pan Electronics (India) Limited**

**Gullu G. Talreja**

Chairman & Managing Director

**Abhishek P. Talreja**

Director

**G Nagaraju**

Director

**K. Mudaiah**

Director

**Kanchan Dutta**

Director

Place : Bengaluru

Date : 30 May 2015

Place : Bengaluru

Date : 30 May 2015

**Notes to Financial Statements for the Year Ended 31-03-2015****1. Corporate Information**

Pan Electronics (India) Ltd (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The shares are listed on BSE Limited. The company is engaged in the manufacturing and selling of capacitor grade Metallised Plastic films and capacitor elements. The Company's products are sold in the domestic & international markets.

**2. Summary of significant policies****a. Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (INDIAN GAAP) to comply with Accounting Standards specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act 2013. The financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**b. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**c. 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.

**d. Depreciation**

In respect of fixed assets (other than leasehold land) acquired during the year, depreciation / amortisation is charged on a straight line basis so as to write-off the cost of the assets over the useful lives and for the assets acquired prior to 01 April 2014, the carrying amount as on 1 April 2014 is depreciated over the remaining useful life based on an evaluation.

**e. 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.

**f. 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.

**g. 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.

**h. 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.

**i. Borrowing costs:**

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

**j. 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 'Segment Reporting' specified under Section 133 of the Act does not arise.

**k. Foreign currency transaction:**

All foreign currency transactions are recorded at the rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses are recognised in the statement of profit and loss.

**l. Income Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income during the current year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

**m. Cash & Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**n. 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.

31<sup>st</sup> March 2015    31<sup>st</sup> March 2014**Notes to Financial Statements for the Year Ended 31-03-2015**

Rs.

Rs.

(All amounts are in Indian Rupees, except shares data and where otherwise stated)

**3 Share Capital****Authorised Shares**

1,00,00,000 (31 March 2014: 1,00,00,000) Equity shares of Rs.10/- each

100,000,000    100,000,000

**Issued, Subscribed and fully Paid-up shares**

40,00,000 (31 March 2014: 40,00,000) Equity shares of Rs.10/- each fully paid up

40,000,000    40,000,000

40,000,000    40,000,000

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period****Equity Shares**

	March 31, 2015		March 31, 2014	
	Number of shares	(Rs.)	Number of shares	(Rs.)
At the beginning of the period	4,000,000	40,000,000	4,000,000	40,000,000
Outstanding at the end of the period	4,000,000	40,000,000	4,000,000	40,000,000

**b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(f) Details of shareholders holding more than 5% shares in the company**

Name	March 31, 2015		March 31, 2014	
	Shares	%	Shares	%
Gullu Talreja	2,792,460	69.81		
Nanik Rohera *			1,704,700	42.62%
Mukesh Talreja **			857,700	21.44%

\* Nanik Rohera transferred the shares On 4 December 2014

\*\* Mukesh Talreja transferred shares on 23 April 2014

**4 Reserves and Surplus**

Rs

Rs

**Central Subsidy**

Balance as per last Financials

1,500,000    1,500,000

Closing Balance

1,500,000    1,500,000

**Share Premium**

Balance as per last Financials

9,299,600    9,299,600



Closing Balance	9,299,600	9,299,600
<b>Capital Reserve</b>		
Balance at the beginning of the year	-	-
Add/(Less): Receipts/appropriations	28,363,512	28,363,512
Closing Balance	28,363,512	28,363,512
<b>Surplus/(Deficit) in the statement of Profit and Loss</b>		
Balance at the beginning of the year	(167,208,277)	(273,934,938)
Add/ (Less) Surplus for the period	(3,403,971)	106,726,661
Add/ (Less): Appropriations		
Closing Balance at the end of the year	(170,612,248)	(167,208,277)
<b>Total Reserves and Surplus</b>	<b>(131,449,136)</b>	<b>(128,045,165)</b>
<b>5 Other Long-Term Liabilities</b>		
Advances from Others	78,610,228	73,813,379
Advances from Customers	-	
	<b>78,610,228</b>	<b>73,813,379</b>
<b>6 Trade Payables</b>		
- For supplies others	19,717,457	20,510,832
- For Expenses	55,910	493,428
	<b>19,773,367</b>	<b>21,004,260</b>
<b>7 Other Current Liabilities</b>		
For Statutory Dues	152,075	26,647
Other capital advance	1,050,000	
	<b>1,202,075</b>	<b>26,647</b>
<b>9 Non-current Investments</b>		
<b>Trade Investments (Valued at Cost)</b>		
Investment in Equity Instruments – Quoted 123120 (31 March 2014: 123120) Equity Shares of Rs.5/- each	2,824,520	2,824,520
Fully paid in M/s Venlon Enterprises Ltd,-Mysore	<b>2,824,520</b>	<b>2,824,520</b>
<b>10 Inventories (Valued at the lowest of Cost or Net realisable Value)</b>		
Raw Materials		
Finished Goods		
Work in Progress	229,724	
Consumables, Stores & spares		
Packing Materials		
	<b>229,724</b>	

**8 Fixed Assets**

<b>COST OR VALUATION</b>	<b>LEASE HOLD LAND</b>	<b>BUILDING</b>	<b>PLANT &amp; MACHINERY</b>	<b>ELECTRICAL INSTALLATION</b>	<b>FURNITURE &amp; FIXTURES</b>	<b>OFFICE EQUIPMENT</b>	<b>COMPUTER</b>	<b>VEHICLE / INTANGIBLE</b>	<b>LEASE HOLD RIGHTS</b>	<b>Total</b>
At 1 April 2013	136,900	13,711,919	160,309,199	3,417,741	344,435	697,337	2,646,962	921,863	170,000	182,356,356
Additions	-	-	-	-	-	53,815	129,834	-	-	183,649
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2014</b>	<b>136,900</b>	<b>13,711,919</b>	<b>160,309,199</b>	<b>3,417,741</b>	<b>344,435</b>	<b>751,152</b>	<b>2,776,796</b>	<b>921,863</b>	<b>170,000</b>	<b>182,540,005</b>
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2015</b>	<b>136,900</b>	<b>13,711,919</b>	<b>160,309,199</b>	<b>3,417,741</b>	<b>344,435</b>	<b>751,152</b>	<b>2,776,796</b>	<b>921,863</b>	<b>170,000</b>	<b>182,540,005</b>
<b>Depreciation</b>										
<b>At 31 March 2013</b>	-	11,371,658	159,953,872	3,417,741	344,435	697,337	2,646,962	665,562	-	179,097,568
Charge for the year	-	2,218,484	355,327	-	-	1,434	6,919	225,201	-	2,807,365
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2014</b>	-	13,590,142	160,309,199	3,417,741	344,435	698,771	2,653,881	890,764	-	181,904,932
Charge for the year	-	13,531	-	-	-	5,820	61,457	15,550	-	96,358
Disposals	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2015</b>	-	13,603,673	160,309,199	3,417,741	344,435	704,591	2,715,338	906,314	-	182,001,290
<b>Net Block</b>										
<b>At 31 March 2014</b>	<b>136,900</b>	<b>121,777</b>	-	-	-	<b>52,381</b>	<b>122,915</b>	<b>31,099</b>	<b>170,000</b>	<b>635,073</b>
<b>At 31 March 2015</b>	<b>136,900</b>	<b>108,246</b>	-	-	-	<b>46,561</b>	<b>61,458</b>	<b>15,549</b>	<b>170,000</b>	<b>538,715</b>

	Rs.	Rs.
<b>11 Cash &amp; Bank Balances</b>		
Balance with Bank		
on Current account	27,695	27,695
Cash in hand	46,660	46,660
	<b>74,356</b>	<b>74,356</b>
<b>12 Short Term Loans &amp; Advances</b>		
<b>Loans &amp; advances to related Parties</b>	-	
Unsecured Considered good	A	-
<b>Advances recoverable in cash or kind</b>	987,851	794,997
Unsecured Considered good	B	<b>794,997</b>
<b>Other Loans and advances</b>		
Advance Income Tax (net of Provison for tax)		
Balance with Statutory / Government Authorities	C	2,470,176
	2,520,050	2,470,176
	<b>2,520,050</b>	<b>2,470,176</b>
<b>TOTAL (A+B+C)</b>	<b>3,507,901</b>	<b>3,265,173</b>
<b>Notes to financial statements</b>		
<b>(All amounts are in Indian Rupees unless otherwise stated)</b>		
<b>13 Revenue from Operations</b>		
Sale of Finished goods		
Sale of Services		
Revenue from Operations (gross)		-
Less: Excise duty		
<b>Revenue from Operations (Net)</b>		-
<b>14 Other income</b>		
Sale of Scrap		73,100
Liability no longer required written back	1,585,758	
	<b>1,585,758</b>	<b>73,100</b>
<b>15 Cost of raw material and components consumed</b>		
Inventory at the beginning of the year		20,700
Add: Purchases	76,738	
	76,738	20,700
Less: Inventory at the end of the year	-	
	<b>76,738</b>	<b>20,700</b>
<b>16 (Increase)/Decrease in Inventories</b>		
Inventory at the end of the year	229,724	
		410,636
Inventory at the beginning of the year		410,636
	(229,724)	410,636
<b>17 Employee benefits Expense</b>		
Salaries, wages & bonus including PF	1,530,010	1,465,132
	<b>1,530,010</b>	<b>549,584</b>

**18 Other Expenses**

Advances Written off	**		75,648,262
Power, Fuel & Water Charges		1,476,805	1,321,451
Repairs - Machinery		211,430	2,399,904
Repairs - Other assets		192,779	703,677
Postage & Telephones		20,227	15,547
Travelling & Conveyance		193,967	71,542
Printing & Stationery		12,771	6,867
Bank Charges		8,586	12,533
SIPCOT Maintenance		83,954	190,934
Miscellaneous Expenses		105,794	22,472
Rates & Taxes		73,512	28,151
Professional Charges	***	402,919	727,706
Share Transfer expenses		28,331	97,619
Watch & Ward		308,041	293,117
Listing and open offer expenses		397,232	
		3,516,348	81,539,782

\*\*Includes amount written off (including Advances) from Rs. 2.98 crores to Dev Power Corporation and erstwhile subsidiaries Rs. 4.43 crores Venlon Metallising Private Limited & Venlon Metacoat Private Limited, and balance to other parties on the basis of the decision of the board

\*\*\* Professional Charges Includes Auditors Remuneration of Rs. 45,477/- (Previous year Rs.33708/- )

- towards Statutory Audit	34,200	33,708
- other certification charges	11,277	

**19 Finance cost**

Interest & Bank Charges		703,898
		703,898

**20.1 Earnings per share (EPS)****Basic earnings per share**

The calculation of basic earnings per share is based on the loss of Rs.33,07,613/- (previous year Profit of Rs. 10,67,26,661/-), attributable to equity shareholders and weighted average number of equity shares outstanding 40,00,000 (previous year 40,00,000) shares.

**Earnings**

Particulars	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
Profit (Loss) for the year as reported	33,07,613	10,67,26,661
Net Loss attributable to equity shareholders for the calculation of basic EPS	33,07,613	10,67,26,661
Net loss adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS	33,07,613	10,67,26,661

**Shares**

<b>Particulars</b>	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
Weighted average number of equity shares outstanding during the year / period for calculation of basic EPS	40,00,000	40,00,000
Compulsorily convertible non-cumulative preference shares	-	-
Weighted average number of equity shares for calculation of diluted EPS	40,00,000	40,00,000

**20.2 Disclosure for retirement benefits Defined contribution plans**

The Company's employee provident fund scheme is a defined contribution plan. A sum of Rs Nil /-(previous year Rs. Nil) has been recognized and shown under Employee benefits in note

**Defined benefit plans – Gratuity**

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The following table summarises the position of assets and obligations of the gratuity plan:

<b>Particulars</b>	<b>As on 31 March 2015</b>	<b>As on 31 March 2014</b>
Present value of obligations	-	-
Fair value of plan assets	-	-
Assets/(Liability) recognised in balance sheet	-	-

**Movement in present values of defined benefit obligation**

<b>Particulars</b>	<b>As on 31 March 2015</b>	<b>As on 31 March 2014</b>
Define benefit obligation at the beginning of the Year	-	-
Interest cost	-	-
Current service cost	-	-
Actuarial (gain)/loss on obligation	-	-
Define benefit obligation at year end	-	-

**Movement in fair value of plan assets**

<b>Particulars</b>	<b>As on 31 March 2015</b>	<b>As on 31 March 2014</b>
Fair value of plan assets at 1 April	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at 31 March	-	-

**Expenses recognized in statement of profit and loss**

Particulars	As on 31 March 2015	As on 31 March 2014
Current service cost	-	-
Past service cost	-	-
Interest cost	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognized in the year	-	-
Expenses recognized in the statement of profit and loss	-	-

**Principal actuarial assumptions**

The following are the principal actuarial assumptions at the reporting date:

Particulars	As on 31 March 2015	As on 31 March 2014
Discounting Rate	-	-
Future salary Increase	-	-
Expected Rate of return on plan assets	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Three year information**

Amount for the current and previous two year are as follows:

Particulars	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	-	-	-
Fair value of plan assets	-	-	-
Experience adjustments arising on plan liabilities	-	-	-
Experience adjustments arising on plan assets	-	-	-

**23.3 The net deferred tax asset comprises of the following components:**

As at 31 March 2015, the Company has carried out tax computation in accordance with Accounting Standard 22 - Accounting for Taxes on Income notified under the Companies (Accounting Standards) Rules, 2006. Management is of the view that in the absence of virtual uncertainty realization of the deferred tax assets has been recognised only to the extent of deferred tax liability. The components of deferred tax assets (net) as at 31 March 2015 are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Deferred tax liability on:</b>		
Difference between depreciation of fixed assets as per books and as allowable per the income tax Act 1961 (a)	11,89,671	14,17,703

<b>Deferred tax asset on:</b>		
Brought forward losses and unabsorbed depreciation	2,50,44,684	2,37,69,863
<b>Net deferred tax asset [(a)-(b)]</b>	<b>2,38,55,013</b>	<b>2,23,52,160</b>
<b>Deferred Tax Recognised in Books</b>	-	-

#### 20.4 Related parties

Related party disclosures as required under Accounting Standard (AS) – 18 "Related Party Disclosures":

(i) **Name of the related party and nature of relationship where control exists.**

Gemini Dyeing Private Limited, Maanay Flour Mills Limited, Chellaram Mills Private Limited – share holders

(ii) **Related parties and nature of related party relationship with whom transactions have taken place**

Description of relationship	Name of the party
Entities over which KMP is able to exercise significant Control	Gemini Dyeing Pvt Ltd Maanay Flour Mills Limited
Key Management Personnel (KMP)	Gullu Talreja (from 24 April 2014)

(iii) **Details of transactions with related parties:**

Particulars	Value of the Transaction	
	31 March 2015	31 March 2014
<b>Loan Outstanding Written Off</b>		
- Venlon Metacoat Private Limited	Nil	3,62,95,544
- Venlon Metallising Private Limited	Nil	83,47,523
<b>Received Long Term Advance</b>		
- Gemini Dyeing & Printing Mills Limited	49,35,053	82,82,707

(d) **Details of balances with related parties:**

Particulars	Balance Outstanding as at	
	31 March 2015	31 March 2014
<b>Creditors For Supplies</b>		
- Venlon Metallica Industries	1,26,07,473	1,26,07,473
<b>Outstanding Long Term Advance</b>		
- Gemini Dyeing & Printing Mills Limited	2,97,21,682	2,47,86,630
- Chellaram Mills Private Limited	3,52,88,545	3,52,88,545
- Maanay Flour Mills Limited	1,36,00,000	1,36,00,000

#### 20.5 Expenditure in foreign currency (on accrual basis)

Particulars	As at 31 March 2015	As at 31 March 2014

	NIL	NIL
--	-----	-----

**20.6 Dues to Micro, Small & Medium Enterprises:**

There are no Micro, Small and Medium enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the Balance Sheet Date, computed on unit wise basis. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**20.7** The Company is a Public Listed Company as defined in the General Instructions in respect of Accounting Standards specified under section 133 of the Companies Act, 2013. Accordingly, the Company has complied with Accounting Standards as applicable to Public Listed Company.

**20.8** Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification

**Signatures to the Schedules 1 To 20.8**

*As per our report attached to the balance sheet*

*For Pan Electronics (India) Limited*

**MSRK & Co**  
Chartered Accountant  
Firm Reg. # 013232S

**Gullu Talreja**  
Chairman & Managing Director

**Abhishek Talreja**  
Director

**Shresh Kumar Eshwar Hegde**  
Mem # 222817

**G Nagaraju**  
Director

**K Mudaiah**  
Director

**Kanchan Dutta**  
Director

Place: Bengaluru  
Date: 30 May 2015

Place: Bangalore  
Date: 30 May 2015



**CASH FLOW STATEMENT**

	<b>For the period ended 31 March 2015</b>	<b>For the period ended 31 March 2014</b>
<b>Cash flow from operating activities</b>		
Profit before tax from continuing operations	(3,403,971)	106,726,661
Profit before tax from discontinuing operations	-	-
Profit before tax	(3,403,971)	106,726,661
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	96,358	2,807,365
Write off in Investments	-	10,000
Liability No Longer Required written off	-	(192,991,984)
Others	-	-
Operating profit before working capital changes	(3,307,613)	(83,447,958)
Movements in working capital :		
Increase/ (Decrease) in trade payables	(1,230,893)	11,660,917
Increase/ (decrease) in other current liabilities	1,175,428	2,207,722
Increase/ (decrease) in Long Term Liabilities	4,796,849	8,132,707
Decrease / (increase) in trade receivables	-	806,367
Decrease / (increase) in inventories	(229,724)	470,806
Decrease / (increase) in other current assets	-	-
Decrease / (increase) short term loans and advances	(242,728)	60,246,029
Increase / (decrease) in short-term provisions	-	-
Cash generated from / (used in) operations	961,319	76,590
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>961,319</b>	<b>76,590</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	-	(183,649)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>-</b>	<b>(183,649)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	-	-
Proceeds from short-term borrowings	-	-
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	961,319	(107,059)
Cash and cash equivalents at the beginning of the year	74,356	181,414
<b>Cash and cash equivalents at the end of the year</b>	<b>1,035,675</b>	<b>74,356</b>
Components of cash and cash equivalents		
Cash on hand	1,015,597	46,660
Cheques/ drafts on hand	-	-
With banks- on current account	-	-
- In Current accounts	20,077	27,695
- on deposit account	-	-
<b>Total cash and cash equivalents (Note 11)</b>	<b>1,035,674</b>	<b>74,356</b>

**Significant accounting policies**

**2**

**The notes referred to above form an integral part of the financial statements**

As per our report of even date attached

For **M S R K & CO.**

Chartered Accountants

Firm Registration Number: 013232s

For **Pan Electronics (India) Limited**

**Shreeshkumar Eshwar Hegde**

Partner

Membership No. 222817

**Gullu G. Talreja**

Chairman & Managing Director

**Abhishek P. Talreja**

Director

**G Nagaraju**

Director

**K. Mudaiah**

Director

**Kanchan Dutta**

Director

Place : Bengaluru

Date : 30 May 2015

Place : Bengaluru

Date : 30 May 2015

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS:**

Registration No	State code Num	Balance Sheet Date
U00309KA1982PTC004960	08	31.03.2015

**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
8,136	8,136

**SOURCES OF FUNDS:**

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
40,000	131,449		78,610

**APPLICATION OF FUNDS:**

Net fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Capital WIP
538	2,834	(16,202)	-	-

ACCUMULATED LOSSES: (170,612)

**IV. PERFORMANCE OF COMPANY (IN RS. thousands)**

Turn over	Total Expenditure	+Profit/Loss before tax	+Profit/Loss after tax
0	4,989	-3,404	-3,404

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

Earning per Share in Rs. – 0.85

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  
MSRK & Co  
Chartered Accountant

for and on behalf of the Board

Shreesh Kumar Eshwar Hegde  
Chartered Accountant

Gullu Talreja  
Chairman & Managing Director

Abhishek Talreja  
Director

PLACE: Bangalore  
DATE: 14.08.2015

G Nagaraju  
Director

K M Madaiah  
Director

Kanchan Dutta  
Director

**FORM B****Covering letter of the annual audit report to be filed with the stock exchange**

- |    |   |   |
|----|---|---|
| 1. | Name of the Company:  | PAN ELECTRONICS (INDIA) LIMITED<br>CIN: L00309KA1982PLC004960   |
| 2. | Annual financial statements for the year ended  | 31st March 2015   |
| 3. | Type of Audit qualification   | <del>Qualified...../ Subject to .....</del> / <del>Except for.....</del>  |
| 4. | Frequency of qualification  | Whether appeared <del>first time .....</del> / <del>repetitive ....</del> / since how long period: since 1 years              |
| 5. | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report: | Confirmation of Trade Receivable & Payable.<br><b>Response:</b> Board does not foresee any material impact on reconciliation. |
| 6. | Additional comments from the board/audit committee chair:   | NIL   |
| 7. | To be signed by-  |   |
|    | Managing Director   | sd<br>Gullu Talreja   |
|    | CFO   | Sd<br>Abhishek Talreja  |
|    | Auditor of the company  | Sd<br>Shreesh Kumar Eshwar Hegde  |
|    | Audit Committee Chairman  | Sd<br>G Nagaraju  |

