

To:
BSE Ltd
Mumbai

Dec. 12, 2013
Ref: pan525/13

Reference to your letter DCS/CL31/2013/669/517397 dated Nov 26, 2013, please find herein the Annual Report of the Company for your records.

Thanking you
for Pan Electronics (India) Limited

Authorised Signatory



PAN ELECTRONICS (INDIA) LIMITED

30th

ANNUAL REPORT

2012 - 2013

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

STATUTORY AUDITORS:

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

BANKERS

Punjab National Bank, 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.venlon.com/investors>

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED will be held on Wednesday, 25 September 2013 at Vijay nagar Club, Stage 2, 1st main, Vijay nagar, Bangalore 560104 at 3.00 pm to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31 March 2013, the audited Profit & Loss Accounts and the audited Cash Flow statement for the year ended as on that date together with schedules and notes forming part of accounts and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K M Muddiah, who retires by rotation and being eligible offers himself for reappointment
3. To re-appoint V Ganesh, Chartered Accountant, Bangalore ICAI # 208181 statutory auditors of the Company to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS
FOR PAN ELECTRONICS (INDIA) LIMITED

Place: Bangalore
Date: 14.08.2013

NANIK G ROHERA
CHAIRMAN

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 on a poll instead of himself and such proxy need not be a Member of the Company. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the Meeting.
2. The Register of Members and the Share Transfer Books in respect of Equity Shares of the Company shall remain closed from 19.09.2013 to 25.09.2013 (both days inclusive)
3. Shareholders who hold shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation thereof to the Company's RTA. Shareholders, whose shareholding is in electronic format, are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective depository participants.
4. Information regarding particulars of the directors to be appointed and the directors seeking re-appointment requiring disclosure in terms of the listing agreement and the explanatory statement pursuant to Section 173 of the Companies Act, 1956, are annexed hereto. The directorships held by the directors considered for the purpose of disclosure do not include the directorships held in foreign companies, private limited companies and companies under Section 25 of the Companies Act, 1956 but include private limited companies which are considered as public limited companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956. The committee chairmanships/memberships considered for the purposes of disclosure are those prescribed under clause 49(I)(C) of the listing agreement(s) viz. Audit Committee and Shareholders/ Investor Grievance Committee of Indian public limited companies.
5. Corporate members are requested to send a duly certified copy of the board of directors' resolution/ power of attorney authorising their representative to attend and vote at the annual general meeting
6. Statutory registers and documents referred to in the notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of annual general meeting, and will also be available for inspection at the meeting. Members seeking clarification on accounts are requested to write to the Registered Office at 69 Cubbon pet, 3rd Cross, Bangalore 560 002 at an early date to enable the Management to keep the information ready.
7. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting and hand it over at the entrance hall.
8. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
9. The Company is concerned about the environment and believes in preserving natural resources. Recently, as part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA), Government of India, through its circular nos. 17/2011 and 18/2011, dated 21 and 29 April 2011 respectively has allowed companies to send official documents to their shareholders electronically.

DIRECTORS REPORT

Your Directors present their Thirtieth Annual Report together with the Audited Annual Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

Rs.in lakhs

	2012-13	2011-12
Profit / (Loss) before Depreciation	(14.70)	(107.03)
Less: Depreciation	43.53	43.13
Profit/(Loss) before Tax	(58.23)	(150.16)
Provision for Tax	-	-
Profit/(Loss) brought forward	(2701.52)	(2552.02)
Disposable Profits / (Loss)	(37.83)	(149.50)
Deficit carried forward	(2739.35)	(2701.52)

PERFORMANCE:

Your Company has achieved product turnover of Rs 4.13 lakhs (previous year 9.42 lakhs) including Job Work of NIL (previous year 4.62 lakhs) during the year. However there is a loss due to depreciation and under utilization of capacity.

DIVIDEND

In view of the losses incurred during the period, your Directors do not recommend any dividend on Equity Shares for the period under review.

DIRECTORS

In accordance with the provisions of Companies Act 1956 and Articles of Association of the Company, Shri K M Mudaiah retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

The particulars of the Retiring director are as follows:

Name: K M Mudaiah. Qualification: B. Com, Legal

Experience and Expertise: Expertise in legal matters and handling law & order. Experience of over 25 years in this field.

Shareholding in the company: NIL Other Directorships / Chairmanship in PLC: NIL

SECRETARIAL COMPLIANCE REPORT

The Company has obtained and attached herewith the Compliance Certificate dated 14 August 2013 from Shri S. Viswanathan, Practicing Company Secretary, as per the provisions of Section 383A of Companies Act, 1956 and amendments thereof. Secretarial compliance is available for inspection at the Registered Office of the Company

AUDITORS

Mr. V. Ganesh, Chartered Accountant, ICAI # 208181, retires at the ensuing Annual General Meeting and is eligible for reappointment as statutory auditors of the company as per provisions of the Companies Act 1956. He does not hold peer review board certificate. The Company is trying to locate

a Chartered Accountant holding such a Certificate. You are requested to re-appoint the auditor and authorize the Board of Directors to fix his remuneration in consultation with him.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from the Public during the year under review, under the provisions of the companies Act, 1956 and the rules framed there under.

LISTING

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

COST ACCOUNTING RECORD RULES 2011

Your Company is required to obtain Cost Accounting Record maintenance Compliance Certificate from a Practising Cost Accountant. Necessary action is being taken in this regard.

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 Mr. S Viswanathan, Company Secretary in whole time practice, for the compliance is annexed and forms part of this report.

WHOLLY OWNED SUBSIDIARY COMPANIES

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However the financial information of the Subsidiary Companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept open for inspection at the Registered Office of the Company. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies.

Venlon Metallising Private Limited and Venlon Metacoat Private Limited continue to be Wholly Owned Subsidiary Companies as at 31 March 2013

SECTION 212 STATEMENTS:

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

	VENLON Metallising Pvt Ltd	VENLON Metacoat Pvt Ltd
1. Financial year of the subsidiary ending on	31 st March 2012	
2. a) Number of shares held by the holding company, including holding through nominee	396,845	300,000
B) Extent of interest on the above date	100%	100%
1. Net aggregate amount of the subsidiary company's profit / (Loss) so far it concerns members of the holding company	(61,291)	(17,028)
(Rs. in lacs) Capital	39,684,500	30,000,000
Reserves and surplus	(332,161,521)	(102,831,426)
Total assets	22,050,866	10,072,076
Total Liabilities	314,527,887	82,903,501
Investment	120,785	235,490
Turn over (including other income)		8,400
Profit / Loss before tax	(5,000)	(17,028)
Provision for taxation including FBT and deferred tax		
Profit / Loss after tax	(5,000)	(17,028)

INDUSTRIAL RELATIONS

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

DIRECTORS RESPONSIBILITY STATEMENT

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

Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. The Directors have prepared the annual accounts on a going concern basis.

AUDITORS REMARKS

Regarding non-obtainment of confirmations, the Board does not foresee any material impact on the accounts of the Company upon reconciliations. **Regarding observation in respect of non- provision of penal interest and liquidated charges by Financial Institutions and guarantee of Rs.770 lakhs of IDBI**, the Board wishes to inform that dues of Venlon Metallising Pvt Ltd with IDBI/ SASF have been settled and paid. Hence no such provisions are necessary.

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

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

SHARE TRANSFERS

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

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

OTHER INFORMATION

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

ACKNOWLEDGEMENT

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

For and On behalf of the Board of Directors

Place: Bangalore
Date: 18 May 2013

Nanik G Rohera
Chairman

ANNEXURE TO DIRECTORS REPORT:

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

BY ORDER OF THE BOARD OF DIRECTORS

PLACE: Bangalore
DATE: 18.05.2013

NANIK G ROHERA
CHAIRMAN

Report on Corporate Governance as on 31st March 2013

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Sl No	Particulars		Remarks			
1	Brief statement on Company's philosophy on code of governance		The Company follows a system of sound human values, creditability in matters of commercial transactions and fair view and approach in all operations			
2	Board of Directors					
	a	Composition and Category of Directors i.e break up of Directors in to the following				
	i	Executive	1 Member			
	ii	Non-Executive	1 Member			
	iii	Independent non-executive	2 Members			
	iv	Nominee Director	NIL			
	v	Institutional Director - in which capacity - Lender or Shareholder	NIL			
		Whether: Non-executive directors -minimum 50% of total Directors	Yes			
		Number of independent Directors	Two			
		If Chairman is executive - 1/2 of the board	Not applicable			
		If Chairman is non-executive - 1/3 of the board	Yes, the company complies with the Provision			
	b	Disclose whether Chairman is Executive / Non Executive	Chairman is Non-Executive			
	c	Attendance of each director at the time of Directors meeting and last AGM				
	Name	Category	Last AGM / Attended 26.09.2012	Num of Board Meetings Attended	Num of other Directorship In Public Co.s	Num of other Committee Membership
	Nanik Rohera	Chairman Non-Independent	Present	Five	Nil	One
	Nitesh Rohera	Managing Director, Non-Independent	Present	Five	Nil	One
	G Nagaraju	Non-Executive Independent	Present	Five	Nil	Two
	K M Muddaiah	Non-Executive Independent	Present	Five	Nil	Two
	Note: None of the directors hold directorship in more than 15 public limited companies, membership in committees of Board in more than 10 companies and chairmanship of committee of Board of more than 5 committees					
	Whether gap between any two consecutive Board Meetings is not greater than 4 months			There is no gap of more than four months between any two consecutive meetings		
	Minimum four meetings in a year are held			Yes		
	Particulars of Directors retiring by rotation and being re-appointed have been disclosed in the Director's report. Percentage of share holding of Mr Nitesh Rohera, Managing Director is 4.1%. Mr G Nagaraju & Mr K M Muddaiah, Independent Directors, do not hold any shares in the company					
3	AUDIT COMMITTEE					
	The Board constituted Audit Committee. The terms of the reference of the Audit Committee are as under: To hold periodic discussions with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit & observation of the Auditors. To review compliance with internal control systems. To review the quarterly, half yearly and annual financial results of the Company before submission to the Board To make recommendations to the Board on any matter relating to financial management of the Company,					

	including audit report Recommending statutory auditors of the company Others (as covered in Clause 49 (II) (D) of the listing agreement)	
	i	Composition, name of members and Chairperson Two Independent Directors 1. Shri G. Nagaraju Chairman 2. Shri K M Muddaiah Member All the Directors have financial accounting knowledge and are non executive and independent
	ii	Number of meetings and attendance during the year FOUR on 14.5.12, 14.8.12, 22.10.12 & 21.1.13 Shri G Nagaraju - 4 Meetings Present Shri K M Muddaiah - 4 Meetings Present
	iii	Brief description of terms of reference: Scrutiny of process of financial reporting and disclosure of information, Appointment of Auditors and their remuneration and other expenses for services; Review of quarter & annual financial statements before submission to the Board regarding changes in accounting policies, qualification in audit report and adjustments arising out of audit, compliance of accounting standards, stock exchange, legal and financial statements.
4	Remuneration Committee: As the Company is sustaining loss, the Chairman & Managing Director draw no remuneration.	
	i	Brief description of terms of reference To decide & fix the Remunerations of Directors, Senior managers, etc and submit necessary approvals to the Board
	ii	Composition, name of members and Chairperson Shri K M Muddaiah – Chairman Shri G. Nagaraju – Member
	iii	Attendance during the year No meeting
	iv	Remuneration policy The Company adheres to provisions of Schedule XIII of the Companies Act, 1956, while fixing the remuneration package to its Managers, including MD. The compensation to Non-Executive Directors is as decided by the Remuneration Committee and ratified by the Board / General Body.
SI No	Particulars	
	v	Details of remuneration to all Directors as per the format listing out the following:
		Salary Nil
		Benefits Nil
		Bonus Nil
		Stock Options Nil
		Pension Nil
		Others Nil
		Break up of fixed components and performance linked incentives NA
		With performance criteria NA
		Service Contract - Notice period, severance fees NA
		Stock options details (if any) NA
		Whether issued at discount NA
		Period over which it is accrued and is exercisable NA
5	Transfer, Grievance, Remat, etc for Share holders Committee	
	i	Brief Description of terms of reference To verify & approve share transfers received, to attend to grievances of share holders, to approve demat & remat of shares received. Other related matters
	ii	Composition, names of members & Chairperson Shri Nanik Rohera – Chairman Shri Nitesh Rohera – Member
	iii	Meeting Dates Four - 18.8.12, 24.9.12, 1.10.12, 5.1.13
6	General Body Meetings	
	i	Location, date & time where last 3 AGMs were held Vijay Nagar Club, Vijay Nagar, Bangalore 26 Sep 12, 3.00 pm Vijay Nagar Club, Vijay Nagar, Bangalore 07 Sep 11, 3.00 pm Vijay Nagar Club, Vijay Nagar, Bangalore 15 Sep 10, 3.30 pm
	ii	Whether any Special Resolutions were passed during these meetings Yes, in 2012
	iii	Whether special resolutions were put through postal ballot last year, details of voting pattern Yes
	iv	Persons who conducted the postal ballot exercise S Viswanathan, Co Sec
	v	Procedure for postal ballot Section 192A complied
7	Disclosures	
	i	Disclosures on materially significant related party transactions i.e. transaction of the company of material nature, with its promoters, directors or management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large Disclosed in Accounts
	ii	Details of non compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last 3 years Nil
8	Means of Communication	
	i	Half yearly report sent to each shareholders residence No
	ii	In which newspapers quarterly results were normally published
	iii	Any Website where results or official news are displayed http://www.venlon.com/investors
	iv	The presentation made to institutional investors or to the analysts Nil
	v	Whether Management Discussion & Analysis is part of Annual Report Yes
9	General Shareholder information	
	i	AGM Date, time and venue 25 September 2013 @ 3.00 pm at Vijay nagar Club, Bangalore

	ii	Financial year ending	31st March 2013			
	iii	Book Closure	19.9.2013 to 25.9.2013			
	iv	Dividend payment date	Dividend not declared			
	v	Listing on Stock Exchange	BSE			
	vi	Stock Code	517397			
	vii	Market price data – High/low during each month of the financial year				
		Month	High (Rs.)	Low (Rs.)		
		April 2012	No trading in other months			
		May 2012				
		June 2012				
		July 2012				
		August 2012				
		September 2012				
		October 2012				
		November 2012	6.10	6.10		
		December 2012				
		January 2013				
		February 2013				
		March 2013				
	viii	Share Transfer System	Share transfer in physical form can be lodged with the Share Transfer Agents. The transfer is normally processed within the stipulated time from the date of receipt if the documents are complete in all respects. The Share Transfer Committee of the Board approves the transfers. Insider trading norms are adhered to and reported to the Stock exchanges upon information from the concerned.			
	ix	Dematerialisation of shares and liquidity	Shares in physical form can be dematerialized and dealt on NSDL.			
	x	Outstanding GDR/ ADR/ Warrants or any convertible instruments, conversion date and impact on equity	Nil			
	xi	Plant location	83 SIPCOT Complex, Hosur, TN, India			
	xiv	Address for correspondence	69, 3 rd Cross, Cubbon pet Bangalore 560 002			
10	i	Compliance Certificate from Auditors of the Company	YES			
	ii	Any Qualification in Auditor's Report	YES			
11	SHAREHOLDING PATTERN as on 31 MARCH 2013					
	Category		Num of shares held	Percentage of share holding		
A	PROMOTER'S HOLDING					
1	Promoters - Indian Individuals		19,02,720	47.57		
	Foreign			-		
	Non Residential Individuals			-		
	Bodies Corporate			-		
B	PUBLIC SHARE HOLDING					
	Institutional investors					
	Mutual funds & UTI					
	Banks, Financial institutions		3200	0.08		
	Foreign Institutional Investors					
C	OTHERS					
	Private Corporate Bodies		47,100	1.18		
	Individuals share holders holding nominal capital upto Rs. 1,00,000/-		844,180	21.10		
	Individuals share holders holding nominal capital excess of Rs. 1,00,000/-		1,161,300	29.03		
	NRIs / OCBs		41,500	1.04		
	Any other (please specify)		-	-		
	GRAND TOTAL		40,00,000	100.00		
12	Distribution of Shareholding					
	Num of share holders	% of total	Shareholding of nominal value of Rs.10/-	Num of shares	Amount Rs.	% of total

	2334	86.51	Up to 5,000		414175	4141750	10.35
	216	8.01	5,001	10,000	187100	1871000	4.68
	85	3.15	10,001	20,000	122855	1228550	3.07
	25	0.93	20,001	30,000	64250	642500	1.60
	13	0.48	30,001	40,000	46300	463000	1.16
	4	0.15	40,001	50,000	19800	198000	0.50
	11	0.41	50,001	1,00,000	81500	815000	2.04
	10	0.37	1,00,001	& above	3064020	30640200	76.60
	2,698	100.00	Total		40,00,000	4,00,00,000	100.00

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

CAUTIONARY STATEMENT:

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

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

I, Nanik G Rohera, Chairman of the Company, to the best of my knowledge and belief, declare that all the Board members & senior management have affirmed compliance with the code of conduct for the year ended 31st March 2013.

Place: Bangalore
Date: 18.5.2013

Nanik G Rohera
Chairman

S. VISWANATHAN*Company Secretary*

#9, Sai Bhavan, I B Main,
7th Cross, B.M.P. Mico Layout,
BTM II Stage, Bangalore-560076

COMPLIANCE CERTIFICATE

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

We have examined the registers, records, books and papers of PAN ELECTRONICS (INDIA) LIMITED, BANGALORE, maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in Annexure `A` to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as stated in Annexure `B` to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
- 3) The Company being public limited company has the minimum prescribed paid-up capital.
- 4) The Board of Directors duly met FIVE times on 14/05/2012, 9/07/2012, 14/8/2012, 22/10/12 & 21/01/2013 in respect of which meetings proper notices were given and were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
- 5) The Company has proposed to close its Register of Members from 19/09/2013 TO 25/09/2013 during the year.
- 6) The annual general meeting for the financial year ended on 31/03/2012 was held on 26/09/2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7) No extra ordinary meeting was held during the financial year.
- 8) The management has certified that the Company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
- 9) The Company has not entered into any contracts attracting the provisions of section 297 of the Act in respect of contracts specified in that section.
- 10) The Company has made necessary entries in the register maintained under section 301 of the Act.
- 11) The Company was not required to obtain any approval under Section 314 of the Act during the year under review. .
- 12) The Company has not issued any duplicate share certificates during the financial year.
- 13) The Company has:
 - (i) Not made any allotment securities during the financial year
 - (ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) Not required to post warrants to any member, as no dividend was declared during the financial year..
 - (iv) Duly complied with the requirements of section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted and no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been made during the financial year
- 15) The appointment of sole-selling agents is not applicable.
- 16) The Company was not required to obtain approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed, under the various provisions of the Act during the financial year.
- 17) The directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 18) The Company has not issued shares, debentures or other securities during the financial year.
- 19) The Company has not bought back any shares during the financial year.
- 20) The Company has not issued any preference shares during the financial year.
- 21) The Company has not declared any dividend or issued rights shares or bonus shares during the financial year under scrutiny.

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

Place: BANGALORE
Date: 18/05/2013

S. VISWANATHAN
C.O.P. #: 2021

Annexure - A

Registers as maintained by the Company

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

Annexure - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2013

1. Balance sheet filed u/s 220 for Annual accounts.
2. Schedule V filed u/s 159 for Annual Return.
3. Comp. Certificate u/s 383 A of the Act.
4. Form 23 for Appointment of M.D u/s 192 of the Act
5. Form 25C for appointment of M.D u/s 269(2) of the Act

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

CIN: U00309KA1982PTC004960

Nominal Capital: Rs. 4 crores

We have examined the compliance of conditions of corporate governance by the Company for the year ended 31st March 2013 as stipulated in clause 49 of the Listing Agreement with stock exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

PLACE: Bangalore
DATE : 18.05.2013

V. GANESH
CHARTERED ACCOUNTANT

AUDITORS' REPORT

Report on the financial statements

We have audited the accompanying financial statements of PAN ELECTRONICS (INDIA) LIMITED, which comprise the balance sheet as at 31st March 2013, and the statement of profit and loss and cash flow statement for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the said accounts subject to

- *Non-obtainment of confirmations in respect of certain balances appearing under Secured Loans, Loans and Advances (Except wholly owned subsidiaries), Sundry Debtors and Sundry Creditors, the impact of which not being quantifiable*
- *Non-provision of penal interest and liquidated damages the impact of which is not quantifiable as the Company has not obtained the year-end confirmation of balances.*
- *Non provision of Deferred Tax Liability as per Accounting standard 22 issued by institute of Chartered Accountants of India*
- *Non-creation of provisions for doubtful advances in respect of advances amounting to Rs 446.43 lakhs consequent to the negative net worth of the Subsidiary Companies to which the amounts have been advanced*
- *Non provision towards guarantee of Rs. 770.00 lakhs given to IDBI securing due repayment of 18% NCD issued, in favour of IDBI by Venlon Metallising Pvt Ltd (a wholly owned subsidiary company)*
- *Non obtainment of permission of IDBI in respect of shares of Venlon Metallising Private Limited acquired by the company from the erstwhile share holders*

- a) In the case of the balance sheet, the state of affairs of the Company as at 31st March 2013
- b) In the case of the statement of Profit and Loss, of the loss for the year ended on that date, and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227 (3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief where necessary for the purposes of our audit.
 - b. In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books.
 - c. The balance sheet, 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 balance sheet, the statement of profit and loss, and cash flow Statement comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

V. GANESH
Chartered Accountant
Membership Number: 208181
Place: Bangalore
Date: 18 May 2013

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements of our report of even date"

Re: Pan Electronics (India) Limited

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have not been physically verified by the management during the year, but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are unable to comment on the discrepancies if any, as all the assets have not been physically verified as aforesaid.
 - c) The company has not disposed off a substantial part of fixed assets during the year.
2.
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification when compared to the book records.
3.
 - a) The company has taken loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) The company has granted advance, in the nature of unsecured loans to two wholly owned subsidiary companies, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year Rs.446.43 lakhs and the year-end balance of such loans aggregate to Rs.446.43 lakhs.
 - c)
 - i) No interest has been charged and terms and conditions for the advances have not been specified and we are of the opinion that the said advances are *prima-facie* prejudicial to the interest of the company.
 - ii) In the absence of terms and conditions relating to the repayment / payment of principal and interest we are unable to comment on the regularity of the repayment/payment of principal and interest respectively.
 - iii) In the absence of terms and conditions relating to the repayment / payment of principal and interest, we are unable to state the over due amount and to comment upon the reasonability of the steps taken / to be taken by the company for the recovery / payment of principal and interest respectively.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and service. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5.
 - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act,1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding Rs five lakhs.
6. The company has not accepted deposits from the Public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. The company has an adequate internal audit system commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956. As per explanation given to us, the company is in the process of getting a Certificate from a Practicing Cost Accountant towards Cost Accounting Record maintenance Compliance.
9.
 - a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, there are no undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, which have not been regularly deposited by the Company during the year with the appropriate authorities.
 - b) As at March 31, 2013, according to the record of the company and the information and explanations given to us, there are no disputed dues (provided / considered contingent liability, as appropriate) on account of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess matters that have not been deposited on account of any dispute.
10. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to financial institutions as given below:

Name of the Financial Institution	Amount Default Rs.in lakhs	Commencement of year of Default from

SASF - Loan 1	808.17	1998
SASF - Loan II	1697.89	2001

*The above amounts do not include penal interest and liquidated damages
However the company has fully settled the One Time Settlement offered by SASF.

12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order 2003 as amended is not applicable.
13. The company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 as amended is not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 as amended is not applicable.
15. In our opinion and according to the information and explanations given to us, there are no guarantees that are given by the company and are prejudicial to the interest of the company.
16. The company has not received any term loan during the year.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. No debentures have been issued by the company and hence the question of creating security or charge in respect thereof does not arise.
20. The company has not raised any money by public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

V. GANESH

Chartered Accountant

Membership Number: 208181

Place: Bangalore

Date: 18 May 2013

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

MD / CFO CERTIFICATION

- a) We have reviewed financial statements and cash flow statement for the year ended 31st March 2013 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement of any material fact or statements that might be misleading.
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which and fraudulent, illegal or violate of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
1. Any significant changes in internal control during the year
 2. Any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 3. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.

Nanik G Rohera
Chairman

Nitesh Rohera
Managing Director

Date: 18 May 2013
Place: Bangalore

BALANCE SHEET AS AT 31.03.2013

	NOTES	31.03.2013	31.03.2012
Equity and Liabilities			Rs.
Shareholder's funds			
Share Capital	3	40,000,000	40,000,000
Reserves and Surplus	4	-263,135,338	-259,352,245
		-223,135,338	-219,352,245
Non-Current Liabilities			
Long-Term borrowings	5	221,355,496	251,495,306
Other Long Term Liabilities	6	65,680,672	4,654,543
		287,036,168	256,149,849
Current Liabilities			
Short Term borrowings	7		15,134,944
Trade Payables	8	9,343,343	25,544,824
Other Current Liability	9	-2,181,075	9,114,560
		7,162,268	49,794,328
TOTAL		71,063,098	86,591,932
Assets			
Non-Current Assets			
Fixed Assets	10	3,258,789	7,611,682
Non Current Investments	11	2,834,520	2,834,520
		6,093,309	10,446,202
Current Assets			

Inventories	12	470,806	485,506
Sundry debtors	13	806,367	1,045,047
Cash & Bank Balances	14	181,414	206,127
Short Term Loans & Advances	15	63,511,202	74,409,050
		64,969,789	76,145,730
TOTAL		71,063,098	86,591,932

Accounting Policies 2.1

The accompanying notes are integral part of the financial statements

As Per our report on even date

For and on behalf of the Board

V. Ganesh	Nanik	Nitesh Rohera
Chartered Accountant	Rohera	Managing Director
M NO 208181	Chairman	

Place : Bangalore	G Nagaraju	K M Madaiah
Date : 18/05/2013	Director	Director

Profit & Loss Account for the year ended 31.03.2013

PARTICULARS	Notes	31.03.2013	31.03.2012
INCOME			Rs.
Revenue from Operations (gross)	16	412,796	1,372,970
Less: Excise Duty			
Revenue from Operations (Net)		412,796	1,372,970
Other Income	17	523,602	72,170
		936,398	1,445,140
EXPENDITURE			
Cost of Goods Sold	18	29,189	869,670
Increase/(Decrease in Stock)	19	-	(26,213)
Employee Benefits expense	20	549,584	597,335
Other Expenses	21	1,293,269	1,738,193
		1,872,042	3,178,985
Earnings before interest, tax and depreciation and amortization		(935,644)	(1,733,845)
Depreciation	22	4,352,897	4,312,934
Finance costs	23	534,362	8,903,026
Profit/(Loss) Before tax		(5,822,903)	(14,949,805)
Add: Exceptional Items		2,039,810	
Less: Provision for Tax		-	-
Profit after Tax from Continuing operations		(3,783,093)	(14,949,805)
EARNINGS PER SHARE (Basic and diluted)		(0.95)	(3.74)

As Per our report on even date

For and on behalf of the Board

V. Ganesh	Nanik	Nitesh Rohera
Chartered Accountant	Rohera	Managing Director
M NO 208181	Chairman	

Place : Bangalore,
Date : 18/05/2013

G Nagaraju
Director

K M Madaiah
Director

Corporate Information

Pan Electronics (India) Ltd (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two Stock Exchanges in India. 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. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (INDIAN GAAP). The company has prepared these financial statements in material respect with the accounting standard notified under the companies (accounting standards) rules 2006 (as amended) and the relevant provisions of the Companies Act 1956. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, expect for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statement

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation of is financial statement. The adoption of revised Schedule VI does not impact recognition and measurement principal followed for preparation of financial statement. However, it has significant impact on presentation and disclosures made in the financial statement. The company has also reclassified the previous year's figures in accordance with the requirement applicable in the current year.

b. 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.

c. Depreciation

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

d. 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.

e. 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.

f. 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.

g. 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.

h. Borrowing costs:

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

i. Segmental reporting

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

j. Foreign currency transaction:

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

k. 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.

PAN ELECTRONICS (INDIA) LIMITED

31st March 2013

31st March 2012

Notes to Financial Statements for the Year Ended 31st March 2012

Rs.

3 Share Capital

Authorised Shares

1,00,00,000 (31 March 2012: 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 2012: 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, 2013		March 31, 2012	
	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	Shares	%
Nanik Rohera	1,704,700	42.62%
Mukesh G Talreja	857,700	21.44%

4 Reserves and Surplus

Central Subsidy

Balance as per last Financials	1,500,000	1,500,000
Closing Balance	1,500,000	1,500,000

State Subsidy III

Balance as per last Financials	-	66,670
Less: Trf to Profit & Loss A/c	-	66,670
	-	-

Share Premium

Balance as per last Financials	9,299,600	9,299,600
Closing Balance	9,299,600	9,299,600

Surplus/(Deficit) in the statement of Profit and Loss

Balance as per last Financials	(270,151,845)	(255,202,040)
Profit/(Loss) for the Year	(3,783,093)	(14,949,805)
Less: Appropriations		
Total Appropriations	-	-
Net Deficit in the statement of Profit and Loss	(273,934,938)	(270,151,845)

Total Reserves and Surplus

	(263,135,338)	(259,352,245)
--	----------------------	----------------------

5 Long Term Borrowings

Term Loans

Bank of India, Bangalore (Secured)		7,889,810
SASF, Mumbai (Secured)	221,355,496	243,605,496
	221,355,496	251,495,306

6 Other Long-Term Liabilities		
Gemini Dyeing & Printing Mills Ltd, Bangalore (Unsecured)	64,680,672	2,975,000
Advances from Customers	1,000,000	1,679,543
	65,680,672	4,654,543
7 Short Term Borrowings		
Interest Free sales tax deferred loan: New		12,962,873
Interest Free sales tax deferred loan: Expansion		2,172,071
	-	15,134,944
8 Trade Payables		
- For supplies others	7,541,182	20,812,407
- For Expenses	1,802,161	4,732,418
	9,343,343	25,544,824
9 Other Current Liabilities		
For Statutory Dues	55,257	513,134
Interest Payable on IFST Loan	(2,236,332)	8,601,426
	(2,181,075)	9,114,560
11 Non-current Investments		
Trade Investments (Valued at Cost)		
Investment in Equity Instruments - Quoted	2,824,520	2,824,520
123120 (31 March 2012: 123120) Equity Shares of Rs.5/- each		
Fully paid in M/s Venlon Enterprises Ltd.,Mysore	2,824,520	2,824,520
Unquoted Equity Instruments		
Investments in Subsidiaries		
3,00,000 (31 March 2012: 3,00,000) Equity shares of Rs.100/- each in Venlon Metacoat Private Limited		-
3,96,845 (31 March 2012: 3,96,845) Equity shares of Rs.100/- each in Venlon Metallising Private Limited		-
	-	-
Government & Trusted Securities (Unquoted)		
Government & Trust Securities in Kisan vikas pathra	10,000	10,000
	10,000	10,000
	2,834,520	2,834,520
12 Inventories (Valued at the lowest of Cost or Net realisable Value)		
Raw Materials	20,700	35,400
Finished Goods	436,849	436,849
Consumables, Stores & spares	8,513	8,513
Packing Materials	4,744	4,744
	470,806	485,506
13 Trade Receivables (Unsecured - Considered Good)		
Debts exceeding six months		
Unsecured considered good	806,367	837,385
	806,367	837,385
Other Receivables		
Unsecured considered good		207,662
	-	207,662
	806,367	1,045,047
14 Cash & Bank Balances		
Balance with Bank		
on Current account	117,111	155,940
Cash in hand	64,303	50,187
	181,414	206,127
15 Short Term Loans & Advances		
Security Deposit		
Unsecured considered Good		969,955
	-	969,955
Loans & advances to related Parties		
Unsecured Considered good	30,827,653	40,712,501
	30,827,653	40,712,501
Advances recoverable in cash or kind		
Unsecured Considered good	31,379,073	30,836,250
	31,379,073	30,836,250
Other Loans and advances		
Advance Income Tax (net of Provision for tax)	302,560	302,560
Balance with Statutory / Government Authorities	1,001,916	1,587,784
	1,304,476	1,890,344
TOTAL (A+B+C+D)	63,511,202	74,409,050
16 Revenue from Operations		
Sale of Finished goods	4,972	910,716
Sale of Services	407,824	462,254
Revenue from Operations (gross)	412,796	1,372,970

	Less: Excise duty		
	Revenue from Operations (Net)	412,796	1,372,970
17	Other income		
	Transfer from State Subsidy	426,000	66,670
	Other non-operating Income	97,602	5,500
		523,602	72,170
18	Cost of raw material and components consumed		
	Inventory at the beginning of the year	35,400	14,585
	Add: Purchases	14,489	890,485
		49,889	905,070
	Less: Inventory at the end of the year	20,700	35,400
		29,189	869,670
19	(Increase)/Decrease in Inventories		
	Inventory at the end of the year	410,636	436,849
		410,636	436,849
	Inventory at the beginning of the year	410,636	410,636
		410,636	410,636
		-	(26,213)
20	Employee benefits Expense		
	Salaries, wages & bonus including PF	549,584	597,335
		549,584	597,335
21	Other Expenses		
	Consumable, Stores & Spares, Packing material		111,391
	Power, Fuel & Water Charges	719,796	523,016
	Repairs - Machinery	112,000	141,387
	Repairs - Other assets	5,583	114,871
	Postage & Telephones	48,054	69,058
	Vehicle Maintenance	195,800	
	Travelling & Conveyance	1,987	29,932
	Printing & Stationery	13,789	17,976
	Rent	3,000	24,000
	SIPCOT Maintenance	57,600	30,030
	Loss on sale of Asset		7,312
	Exchange Fluctuation		25,781
	Miscellaneous Expenses	35,804	111,648
	Rates & Taxes		29,012
	Professional Charges	3,000	45,900
	Auditors Remuneration towards Audit Fees		10,000
	Directors siting fee & Board meeting expenses		6,000
	Share Transfer expenses	53,538	52,502
	Watch & Ward	31,213	387,877
	Packing & Forwarding - Promotion expenses	12,105	
	Sales Promotion Expenses		500
		1,293,269	1,738,193
22	Depreciation and amortization expense		
	Depreciation on tangible Assets	4,352,897	4,312,934
		4,352,897	4,312,934
23	Finance cost		
	Interest & Bank Charges	534,362	8,903,026
		534,362	8,903,026

10	Fixed Assets										
		LEASE HOLD LAND	BUILDING	PLANT & MACHINERY	ELECTRICAL INSTALLATION	FURNITURE & FIXTURES	OFFICE EQUIPMENT	COMPUTER	VEHICLE / INTANGIBLE	LEASE HOLD RIGHTS	Total
	Cost or valuation										
	At 1 April 2011	136,900	13,711,918	159,957,028	3,417,741	344,435	697,337	2,646,962	1,946,862	170,000	183,029,183
	Additions	-	-	352,170	-	-	-	-	-	-	352,170
	Disposals	-	-	-	-	-	-	-	1,025,000	-	1,025,000
	At 31 March 2012	136,900	13,711,918	160,309,198	3,417,741	344,435	697,337	2,646,962	921,862	170,000	182,356,353
	Additions										
	Disposals										

At 31 March 2013	136,900	13,711,918	160,309,198	3,417,741	344,435	697,337	2,646,962	921,862	170,000	182,356,353
Depreciation										
At 31 March 2011	-	7,955,702	154,810,400	3,417,741	344,435	697,337	2,646,962	1,386,847	-	171,259,424
Charge for the year	-	457,978	3,801,755	-	-	-	-	53,201	-	4,312,934
Disposals	-	-	-	-	-	-	-	827,688	-	827,688
At 31 March 2012	-	8,413,680	158,612,155	3,417,741	344,435	697,337	2,646,962	612,361	-	174,744,671
Charge for the year	-	2,957,978	1,341,718	-	-	-	-	53,201	-	4,352,897
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 2013	-	11,371,658	159,953,872	3,417,741	344,435	697,337	2,646,962	665,562	-	179,097,568
Net Block										
At 31 March 2012	136,900	5,298,238	1,697,043	-	-	-	-	309,501	170,000	7,611,682
At 31 March 2013	136,900	2,340,260	355,326	-	-	-	-	256,300	170,000	3,258,785

Cash flow statement for the year ended 31 March 2013	31 March 2013 (Rs)	31 March 2012 (Rs.)
Cash flow from operating activities		
Profit before tax from continuing operations	- 3,783,093	- 14,949,805
Profit before tax from discontinuing operations	-	-
Profit before tax	- 3,783,093	- 14,949,805
Non-cash adjustment to reconcile profit before tax to net cash flows		
Share of profit from investment in partnership firm	-	-
Depreciation/ amortization on continuing operation	4,352,897	4,312,934
Loss/ (profit) on sale of fixed assets	-	7,312
Others	-	66,670
Operating profit before working capital changes	569,804	10,696,229
Movements in working capital :		
Increase/ (Decrease) in trade payables	- 16,201,481	- 795,852
Increase/ (decrease) in other current liabilities	- 11,295,635	8,636,360
Decrease / (increase) in trade receivables	238,680	30,027
Decrease / (increase) in inventories	14,700	47,028
Decrease / (increase) in other current assets	-	-
Decrease / (increase) short term loans and advances	10,897,848	95,387
Increase / (decrease) in short-term provisions	-	-
Cash generated from / (used in) operations	- 15,776,084	- 2,777,335
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	- 15,776,084	- 2,777,335
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	-	352,170
Proceeds from sale of fixed assets	-	190,000
Net cash flow from/ (used in) investing activities (B)	-	162,170
Cash flows from financing activities		
Proceeds from long-term borrowings	61,026,129	3,135,483
Repayment of long-term borrowings	- 30,139,810	- 3,000,000
Proceeds from short-term borrowings	- 15,134,944	2,500,000
Net cash flow from/ (used in) in financing activities (C)	15,751,375	2,635,483
Net increase/(decrease) in cash and cash equivalents (A + B + C)	- 24,709	- 304,022
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	206,127	510,149
Cash and cash equivalents at the end of the year	181,418	206,127
Components of cash and cash equivalents		
Cash on hand	64,303	50,187
Cheques/ drafts on hand	-	-
With banks- on current account	-	-
- In Current accounts	117,111	155,940
- on deposit account	-	-
Total cash and cash equivalents (note 18)	181,414	206,127
Summary of significant accounting policies	2.1	For and on behalf of the Board
As Per our report on even date		
V. Ganesh	Nanik Rohera	Nitesh Rohera
Chartered Accountant, M # 208181	Chairman	Managing Director
Place : Bangalore	G Nagaraju	K M Madaiah
Date : 18/05/2013	Director	Director

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

Registration No	State code No	Balance Sheet Date
U00309KA1982PTC004960	08	31.03.2013

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
63,940	63,940

SOURCES OF FUNDS:

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
40,000	(263,095)	221,355	65,680

APPLICATION OF FUNDS:

Net fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Capital WIP
3,298	2,834	57808	-	-

ACCUMULATED LOSSES: 273,894

IV. PERFORMANCE OF COMPANY (IN RS. thousands)

Turn over	Total Expenditure	+Profit/Loss before tax	+Profit/Loss after tax
936	6719	-5782	-5782

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

Earning per Share in Rs. - 0.94

Dividend Rate %: NIL

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

(as per monetary terms)

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

As per our Report of Even date

for and on behalf of the Board

V. Ganesh
Chartered AccountantNanik G Rohera
ChairmanNitesh Rohera
Managing DirectorPLACE: Bangalore
DATE: 18.05.2013G Nagaraju
DirectorK M Madaiah
Director
PAN ELECTRONICS (INDIA) LIMITED
Regd Office: 69 Cubbon pet, III Cross,
BANGALORE 560 002

THIRTIETH ANNUAL GENERAL MEETING ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company

Folio # _____ DP Id* _____ Client Id* _____ Shares held _____

Name & Address of Shareholder in full _____

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING of the Company to be held at Vijay nagar Club, Vijay Nagar, Bangalore on 25 September 2013 at 3.00 pm	
MEMBER'S SIGNATURE	
Member's/Proxy's name in block letters	Member's/Proxy's Signature

*Applicable for investors holding shares in dematerialized form
NOTE: Your entry to the meeting will be regulated by this Admission Slip

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

THIRTIETH ANNUAL GENERAL MEETING PROXY FORM

Folio # _____ DP Id* _____ Client Id* _____ Shares held _____

I/We----- being a Member / Members of PAN ELECTRONICS (INDIA) LIMITED, hereby appoint ----- of ----- in the district of ----- or failing him/her ----- of ----- in the district of ----- as my / our Proxy to vote for me / us on my / our behalf at the 30th Annual General Meeting of the Company to be held on 25 September 2013 at 3.00 pm and at any adjournment thereof.

Signature of Shareholder

Signed this ____ day of _____ 2013
Name _____
Address _____

*Applicable for investors holding shares in dematerialized form
The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

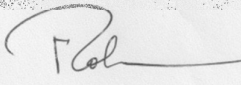
FORM B

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

- 1. Name of the Company: PAN ELECTRONICS (INDIA) LIMITED
CIN: L00309KAT982PLC004960
- 2. Annual financial statements for the year ended 31st March 2013
- 3. Type of Audit qualification ~~Qualified~~...../ Subject to/ Except for.....
- 4. Frequency of qualification Whether appeared first time/ repetitive / since how long period: since 10 years
- 5. Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report: Confirmation of Loans & provision of interest of FIs, etc., guarantee to IDBI, permission from IDBI for shares purchased by company.
Response: Due to settlement with FIs, these provisions are not required.
Other information available on Page 7 & Page 19 of the 30th Annual Report of the Company
- 6. Additional comments from the board/audit committee chair: NIL

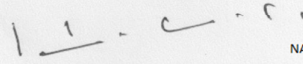
7. To be signed by-

Managing Director



NITESH ROHERA

CFO



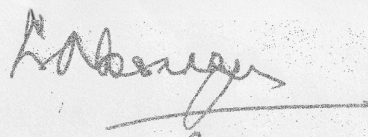
NANIK ROHERA

Auditor of the company



V. GANESH, CHARTERED ACCOUNTANT
STATUTORY AUDITOR

Audit Committee Chairman



C. N. NAGESH, A.C.M.