



PAN ELECTRONICS (INDIA) LIMITED

31st

ANNUAL REPORT

2013 - 2014



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Nanik G Rohera	Chairman
Shri Nitesh Rohera	Managing Director
Shri G. Nagaraju	Director
Shri K M Muddiah	Director
Smt Kanchan Dutta	Director (from 14 Aug 14)

STATUTORY AUDITORS:

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

BANKERS

Punjab National Bank, Peenya Branch, Bangalore

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.venlon.com/investors>

Contents:

Notice of Meeting	3
Instructions for E-voting	7
Director's Report	9
Report on Corporate Governance	14
Compliance Certificate	22
Auditor's Report	25
Balance Sheet	35
Profit & Loss Account	36
Schedule to Accounts	37
Cash Flow Statement	44
Attendance Slip / Proxy form	45

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED will be held on Thursday 25th September, 2014 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 2014, 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 a Director in place of Shri Nanik Rohera (DIN: 01240210), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Nitesh Rohera (DIN: 01071604) , who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Statutory Auditors 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.

SPECIAL BUSINESS:

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, 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. G Nagaraju (DIN: 00901329), who was appointed as a 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, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

6. 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, 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. K Mudaiah (DIN: 02766231), who was appointed as a 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, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

7. 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, 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 Kanchan Dutta (DIN: 01905501), is being appointed as a Director liable to retire by rotation 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: 14/08/2014

By Order of the Board

Nanik Rohera
Chairman

Registered Office:

69, 3rd 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 17/09/2014 to 23/09/2014 (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, 4th 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: 14/08/2014

By Order of the Board

Nanik Rohera
Chairman

Registered Office:
69, 3rd cross
Cubbon Pet
Bangalore 560002

EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013

Item # 5 to 7:

Shri. G Nagaraju and Shri. K Madaiah, who are Independent Directors of the Company, have held the positions as such for more than 5 (five) years.

As per the new Companies Act 2013, read with the revised Clause 49 of the listing agreement, it is proposed to appoint Shri. G Nagaraju and Shri. K Madaiah as Independent Directors to hold office for five consecutive years w.e.f. the date of this annual general meeting. Mr. G Nagaraju and Mr. K Madaiah 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.

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. G Nagaraju and Shri. K Madaiah for the office of Directors of the Company.

The Company has also received disclosures and declarations from Shri. G Nagaraju and Shri. K Madaiah 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. G Nagaraju and Shri. K Madaiah fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement..

Brief resume of Shri. G Nagaraju and Shri K Madaiah, 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.

As per Clause 49 II(A)(i), The minimum requirement of number of members of Audit committee is three. Smt Kanchan Dutta was coopted as Independent director in the meeting of Board of Directors held on 14 August 2014 and is not disqualified for appointment as an Independent Director and meets the aforesaid requirement of Listing Agreement and Companies Act.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri. G Nagaraju, Shri. K Madaiah and Smt. Kanchan Dutta are interested in the resolutions set out respectively at Item Nos. 5 to 7 of the Notice with regard to their respective appointments. The relatives of Shri. G Nagaraju, Shri. K Madaiah and Smt. Kanchan Dutta may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 7 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 # 5 to 7 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)	140821032
---------------------------------	------------------

The e-voting facility will be available during the following voting period:

Commencement of e-voting : From **10.00 a.m.** (IST) on **16 September 2014**

End of e-voting : Up to **6.00 p.m.** (IST) on **18 September 2014**

The instructions for E-voting are as under:

- (i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab to cast your votes.
- (iii) Select the company “PAN ELECTRONICS (INDIA) LIMITED” from the drop down menu and click on Submit .
- (iv) Click on “Shareholders” and enter the user id and the CAPTCHA code as appearing on the screen.
- (v) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any other Company, then your existing login id and password are to be used.
- (vi) If you are a first time user follow the steps given below.

Fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
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 default number: <provide some unique code > in the PAN field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) 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.
- (ix) Click on the relevant EVSN on which you choose to vote.
- (x) 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.
- (xi) Click on the “Resolutions File” link if you wish to view the entire Resolutions.
- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) 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 **22 August 2014**, 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.
- (xvi) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xvii) 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 **22 August 2014**.
- (xviii) **Shri S Vishwanathan, Company Secretary**, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xix) 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.
- (xx) The results of the e-voting along with the scrutinizers report shall be placed on the Company’s website www.venlon.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 First Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March 2014.

FINANCIAL RESULTS		As At 31st March 2014 Rupees	As At 31st March 2013 Rupees
01	REVENUE FROM OPERATIONS		412796
	Less : Excise Duty		0
	Net Revenue from Operations		412796
02	OTHER INCOME	73100	523602
03	TOTAL REVENUE [1 + 2]	73100	936398
04	EXPENSES		
	Cost of Material Consumed	20700	29189
	Purchases of Stock in Trade		
	Changes in Inventories of Finished Goods, WIP & Stock in Trade	410636	
	Employee Benefit Expenses	1465132	549584
	Finance Cost	716431	534362
	Depreciation and Amortization Expenses	2807365	4352897
	Other Expenses	81527249	1293269
	Total Expenses	86947513	6759301
05	PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX [3-4]	86874413	5822903
06	EXCEPTIONAL ITEMS	193601074	2039810
07	PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX [5-6]	106726661	(3783093)
08	EXTRAORDINARY ITEMS	-	-
09	PROFIT / (LOSS) BEFORE TAX [7 - 8]	106726661	(3783093)
10	TAX EXPENSES		
	1. Current Tax [MAT]	-	-
	Less: MAT Credit entitlement	-	-
	Net Current Tax	-	-
	2. Deferred Tax: Asset/(Liability)	-	-
11	PROFIT / [LOSS] FOR THE PERIOD FROM CONTINUING OPERATIONS [9-10]	106726661	(378093)
12	PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS	-	-
13	TAX EXPENSES OF DISCONTINUING OPERATIONS	-	-
14	PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS [AFTER TAX] [12-13]	-	-
15	PROFIT / [LOSS] FOR THE PERIOD [11+14]	106726661	(378093)
16	EARNING PER EQUITY SHARE (Basic and Diluted)	26.68	(0.95)

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 the major 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 2011-12 is complete. That of 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 Mr. S Viswanathan, Company Secretary in whole time practice, 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:

Mr Ganesh V, Chartered Accountants, (Firm #: 003178S) Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and has not consented for reappointment. The Board has received consent and certificate (as required per section 139 of Companies Act 2013) from MSRK & Co, Bangalore, Chartered Accountants (Firm # 013232S) for appointment as Statutory Auditors of the Company. The Board comments 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.

a

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 (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	The Company faces excessive competition resulting in reduction

	threats.	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 2014**

**Nanik Rohera
Chairman**

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 217(2A) read with Companies (particulars of employees Rules), 1975, as amended.

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.

For and on behalf of the Board of Directors

**Bangalore
14 August 2014**

**NANIK ROHERA
Chairman**

Corporate Governance Report for the year 2013-14

(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
		25.09.13	Attended / Held	(In public Companies)	
Shri. Nanik Rohera DoB: 09 Nov 1943 DoA: 1989	Chairman & Non-Independent-Executive	Present	4/5	NIL	NIL
Shri Nitesh Rohera DoB: 22 April 1972 DoA: 22 February 1995	Managing Director Non-Independent – Executive	Present	5/5	NIL	NIL
Shri. K.Mudaiah DoB: 28 March 1947 DoA: 30 July 2009	Independent Non-Executive	Present	5/5	NIL	2
Shri. G Nagaraju DoB: 19 October 1942 DoA: 31 August 2006	Independent Non-Executive	Present	5/5	NIL	2
Smt Kanchan Dutta DoB: 21 May 1944 DoA: 14 August 2014	Independent Non-Executive	NA	NA	1	1

Note: No significant queries were raised on Accounts at the AGM held on 25.09.13.
DoB: Date of Birth; DoA: Date of Appointment

Brief Resume of Managing and Whole time Directors:

Shri Nanik Rohera

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

Shri Nitesh Rohera

Financially & Operations literate Chief Executive and is the Managing Director of the Company
Other Retiring Directors are eligible for re-appointment

3. Audit Committee

The Board reconstituted the Audit Committee on 30/06/2011. 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. G Nagaraju, Chairman	Independent Non-Executive	5	5
Shri. K Madaiah, Member	Independent Non-Executive	5	5
Shri. Nitesh Rohera, Invitee	Managing Director	5	5

Five Audit Committee Meetings were held during the year 2013-14. The said meetings were held on the following dates: 18/4/2013, 18/5/2013, 14/8/2013, 11/11/2013 and 30/01/2014.

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 30/06/2007. 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. K Madaiah, Chairman	Independent Non-Executive
Shri. G Nagaraju, Member	Independent Non-Executive

Remuneration Committee met on 30/1/2014 and recommended revised Remuneration package to Managing Director for the years 2014-15 to 2018-19.

Remuneration Policy

The Company has adhered to provisions of Schedule XIII of the Companies Act, 1956 while fixing the remuneration package to its Managing Director and Executive Director.

Details of remuneration for 2013-14 and Tenure:

Name	Remuneration	Sitting Fee	Tenure
Shri Nanik Rohera	Nil	Nil	Upto next AGM. Eligible for re-appointment
Shri Nitesh Rohera	Not taking	Nil	Upto date in form 25C
Shri G Nagaraju	Nil	Rs. 2500	Reappointment has been proposed for 5 years wef 24 Sept 2014
Shri K Mudaiah	Nil	Rs. 2500	Reappointment has been proposed for 5 years wef 24 Sept 2014
Smt Kanchan Dutta	NA	NA	Appointment has been proposed for 5 years wef 24 Sept 2014

Disclosure of shares held by Non –Executive Directors in the Company as on 31/03/2014

Shri. G Nagaraju – NIL

Shri. K Mudaiah – NIL

Smt. Kanchan Dutta – NA

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. Nitesh Rohera, Chairman	Executive
Shri. Nanik Rohera. Member	Promoter & Chairman

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: 3/4/13, 3/7/13, 14/11/13 and 28/2/14

Name & designation of Compliance Officer :

Shri Nitesh Rohera, Managing 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
07/09/2011 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bangalore
26/09/2012 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bangalore
25/09/2013 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bangalore

b) Investor Complaints:

No. of complaints received from Shareholders from 1.4.2013 to 31.3.2014	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.venlon.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@venlon.com.

10. General Shareholder information

AGM: Date, time and venue:

24 Sept 2014 at Vijay Nagar Club, Vijay Nagar, Bangalore at 3.00 PM.

Financial Calendar:

Year ending – March 31st

Book Closure: 17/09/2014 to 23/09/2014 (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 – 13	No trading	
May – 13	No trading	
Jun – 13	No trading	
Jul – 13	No trading	
Aug – 13	No trading	
Sep – 13	No trading	
Oct – 13	6.10	6.10
Nov – 13	6.10	6.10
Dec – 13	6.25	6.10
Jan – 14	6.25	6.25
Feb – 14	No trading	
Mar – 14	6.25	6.25

Registrar and Transfer Agents:

M/s Integrated Enterprises Limited, 30 Raman Residency, 4th 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

Number of Shares	Number of Shareholders	Share Holders Percentage	Number of shares held	Shareholding Percentage
Upto 5000	2329	86.45	413875	10.35
5001 to 10000	216	8.02	187100	4.68
10001 to 20000	86	3.19	124155	3.10
20001 to 30000	26	0.97	66650	1.67
30001 to 40000	12	0.45	42900	1.07
40001 to 50000	4	0.15	19800	0.50
50001 to 100000	11	0.41	81500	2.04
100001 & above	10	0.37	3064020	76.60
TOTAL	4689	100.00%	4000000	100.00%

Dematerialization of shares and liquidity:

Shares in physical form can be de-materialized and dealt on NSDL/CDSL. As on 31st March, 2014, 39% 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:

Apsara House, 69, 3rd cross, Cubbon Pet, Bangalore 560 002

Share Holding Pattern as on 31/03/2014 :

	Category	# of Shares Held	%age of Share Holding
A	Promoters Holding		
	Promoters		
	Indian Promoters	19,02,720	47.57
	Foreign Promoters	0	0
	Sub-Total	19,02,720	47.57
B	Non-Promoters Holding		
	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
	Sub-Total	3,200	0.08
	Others		
	a. Indian and foreign Corporate Bodies	46,900	1.17
	b. Indian Public	20,05,680	50.14
	c. NRI	41,500	1.04
	Subtotal	20,94,080	52.35
	Grand Total	40,00,000	100.00

Declaration:

I, Nanik Rohera, Chairman, hereby declare that all the Board Members and Senior Management personnel have complied with code of conduct adopted by the Company.

Place: Bangalore
Date: 14/08/2014

For and on behalf of Board of Directors

Nanik Rohera
Chairman

CEO/CFO CERTIFICATION

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2014 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.

Nanik Rohera
Chairman

Nitesh Rohera
Managing Director

Place: Bangalore
Date: 14/08/2014

S. VISWANATHAN

Company Secretary

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

FORM
[SEE RULE 3]
COMPLIANCE CERTIFICATE

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

We have examined the registers, records, books and papers of PAN ELECTRONICS (INDIA) LIMITED, BANGALORE, maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in Annexure `A` to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as stated in Annexure `B` to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3) The Company being public limited company has the minimum prescribed paid-up capital.
- 4) The Board of Directors duly met FIVE times on 15/04/2013, 18/05/2013, 14/08/2013, 11/11/2013 & 25/01/2014 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 17/09/2014 TO 23/09/2014 during the year.
- 6) The annual general meeting for the financial year ended on 31/03/2013 was held on 25/09/2013 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 Company has complied with provisions of Section 269 of the Act regarding appointment of Managing Director during the financial Year
- 16) The appointment of sole-selling agents is not applicable.
- 17) The Company was not required to obtain approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed, under the various provisions of the Act during the financial year.
- 18) The directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 19) The Company has not issued shares, debentures or other securities during the financial year.
- 20) The Company has not bought back any shares during the financial year.
- 21) The Company has not issued any preference shares during the financial year.
- 22) The Company has not declared any dividend or issued rights shares or bonus shares during the financial year under scrutiny.
- 23) The Company has not accepted any deposits from public under the provisions of sections 58A and 58AA read with the Companies (Acceptance of Deposit) Rules, 1975, during the financial year under scrutiny.
- 24) The provisions of Section 293(1)(d) of the Act have been complied with by the Company.
- 25) The Company has granted advance in the nature of unsecured loans to two wholly owned subsidiary companies covered in the register maintained under section 301 of the companies Act 1956. The two subsidiary companies are not in operation and the company has made a package for sale of these companies.

- 26) The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's registered office from one State to another during the financial year under scrutiny.
- 27) The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year under scrutiny
- 28) The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year under scrutiny.
- 29) The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the financial year under scrutiny.
- 30) The Company has not altered the provisions of the Articles of association during the financial year under scrutiny.

- 31) No prosecution notice is initiated against or show cause notices received by the Company for alleged offences under the Act and as such no fines and penalties or any other punishment has been imposed on the company during the financial year

- 32) The Company has not received any security from its employees during the financial year under scrutiny.

- 33) The provisions of Employees Provident Fund Act are applicable to the Company and the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act..

Place: BANGALORE

Date: 25/08/2014.

S. VISWANATHAN

C.O.P. NO: 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, 2014.

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

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 2014, 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, Loans and Advances, Sundry Debtors and Sundry Creditors, the impact of which not being quantifiable*

- a) In the case of the balance sheet, the state of affairs of the Company as at 31st March 2014
- b) In the case of the statement of Profit and Loss, of the profit 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 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 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: 28th May 2014

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 erstwhile 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.
 - 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) The amounts have been fully written off during the year.
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 Practising 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, the Company is generally regular in remitting statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, , sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable except Income Tax (TDS) that have not been deposited by the Company during the year with the appropriate authorities. The amount involved is Rs.0.26 lakhs
 - b) As at March 31, 2014, 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 not incurred cash losses during the financial year covered by our audit. However the company had incurred cash loss during the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company opted for One Time Settlement Scheme and has obtained a no Due certificate from Stressed Asset Stabilisation Fund (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: 28th May 2014

Pan Electronics (India) Limited

(All amounts are in Indian Rupees, unless otherwise stated)

23.1 Earnings per share (EPS)

Basic earnings per share

The calculation of basic earnings per share is based on the profit of Rs.10,67,26,661/- (previous year Loss of Rs. 37,83,093), 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 st March 2014	For the year ended 31 st March 2013
Profit (Loss) for the year as reported	10,67,26,661	(37,83,093)
Net Loss attributable to equity shareholders for the calculation of basic EPS	10,67,26,661	(37,83,093)
Net loss adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS	10,67,26,661	(37,83,093)

Shares

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
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

23.2 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:

Particulars	As on 31 March 2014	As on 31 March 2013
Present value of obligations	-	-
Fair value of plan assets	-	-
Assets/(Liability) recognised in balance sheet	-	-

Movement in present values of defined benefit obligation

Particulars	As on 31 March 2014	As on 31 March 2013
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

Particulars	As on 31 March 2014	As on 31 March 2013
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 2014	As on 31 March 2013
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 2014	As on 31 March 2013
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 2014	31 March 2013	31 March 2012
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 2014, 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 2013 are as follows:

Particulars	Asat 31 March 2014	Asat 31 March 2013
Deferred tax liability on:		
Difference between depreciation of fixed assets as per books and as allowable per the income tax Act 1961 (a)	14,17,703	8,25,387
Deferred tax asset on:		
Brought forward losses and unabsorbed depreciation	2,37,69,863	45,11,643
Net deferred tax asset [(a)-(b)]	2,23,52,160	36.86,256
Deferred Tax Recognised in Books	-	-

23.4 Related parties

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

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

Subsidiary Company – Venlon Metallising Private Limited, (upto 31st Dec 2013)

Venlon Metacoat Private Limited, (upto 31st Dec 2013)

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

Description of relationship	Name of the party
Subsidiaries	Venlon Metallising Private Limited Venlon Metacoat Private Limited
Entities over which KMP is able to exercise significant Control	Venlon Metallic Industries
Key Management Personnel (KMP)	Nanik G Rohera
	Nitesh Rohera

(iii) Details of transactions with related parties:

Particulars	Value of Transaction		Balance Outstanding	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Subsidiary Companies				
Loan Outstanding Written Off				
- Venlon Metacoat Private Limited	3,62,95,544	-	-	3,62,95,544
- Venlon Metallising Private Limited	83,47,523	-	-	83,47,523
Entities over which KMP is able to exercise significant control				
Creditors For Supplies				
- Venlon Metallising Industries	Nil	Nil	1,26,07,473	1,52,75,799
Remuneration:				
Nanik G Rohera	Nil	Nil		
Nitesh Rohera	Nil	Nil		

23.5 Expenditure in foreign currency (on accrual basis)

Particulars	As at 31 March 2014	As at 31 March 2013
	NIL	NIL

Notes to the financial statements for the year end 31 March 2014

(All amounts are in Indian Rupees, unless otherwise stated)

23.6 The Company is a Public Listed Company as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with Accounting Standards as applicable to Public Listed Company,

23.7 Previous year figures have been regrouped wherever necessary

Per our report attached to the balance sheet For Pan Electronics (India) Limited

V. GANESH
Chartered Accountant
M. No 208181

Nanik G Rohera
Chairman

Nitesh Rohera
Managing Director

G Nagaraju
Director

K Mudaiah
Director

Place:
Date:

Place:
Date:

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 2014 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: 28.05.2014

V. GANESH
CHARTERED ACCOUNTANT

PAN ELECTRONICS (INDIA) LIMITED
BALANCE SHEET AS AT 31.03.2014

	NOTES	31.03.2014	31.03.2013
Equity and Liabilities		Rs.	Rs.
Shareholder's funds			
Share Capital	3	4,00,00,000	4,00,00,000
Reserves and Surplus	4	(12,80,45,165)	(26,31,35,338)
		(8,80,45,165)	(22,31,35,338)
Non-Current Liabilities			
Long-Term borrowings	5	-	22,13,55,496
Other Long Term Liabilities	6	7,38,13,379	6,56,80,672
		7,38,13,379	28,70,36,168
Current Liabilities			
Trade Payables	7	2,10,04,280	93,43,313
Other Current Liability	8	26,647	(21,81,075)
		2,10,30,907	71,62,298
TOTAL		67,99,121	7,10,83,098
Assets			
Non-Current Assets			
Fixed Assets	9	6,35,072	32,58,788
Non-Current Investments	10	28,24,520	28,34,520
		34,59,592	60,93,308
Current Assets			
Inventories	11	-	4,70,808
Sundry debtors	12	-	8,06,367
Cash & Bank Balances	13	74,356	1,81,414
Short Term Loans & Advances	14	32,65,173	6,35,11,202
		33,39,529	6,49,69,789
TOTAL		67,99,121	7,10,83,098

Accounting Policies
The accompanying notes are integral part of the financial statements.

2.1

As per our report on even date

For and on behalf of the Board



V. Ganesh
Chartered Accountant
M. No. 208181
Place : Bangalore,
Date :

V.GANESH
Chartered Accountant
M. No. : 208181

Nanik Rohara
Nanik Rohara
Chairman
G Nagaraja
G Nagaraja
Director
Place: Bangalore
Date:

Nitesh Rohara
Nitesh Rohara
Managing Director
K Mudraiah
K Mudraiah
Director

V.GANESH
Chartered Accountant
M. No.: 208181

PAN ELECTRONICS (INDIA) LIMITED
Profit & Loss Account for the year ended 31.03.2014

PARTICULARS	Notes	31.03.2014	31.03.2013
		Rs.	Rs.
INCOME			
Revenue from Operations (gross)	15	-	4,12,796
Less: Excise Duty		-	-
Revenue from Operations (Net)		-	4,12,796
Other Income	16	73,100	5,23,602
		73,100	9,36,398
EXPENDITURE			
Cost of Goods Sold	17	20,700	29,189
(Increase)/Decrease in Stock	18	4,10,636	-
Employee Benefits expense	19	14,65,132	5,49,584
Other Expenses	20	8,15,27,249	12,93,269
		8,34,23,717	18,72,042
Earnings before interest, tax and depreciation and amortization		(8,33,50,617)	(9,35,644)
Depreciation	21	28,07,365	43,52,897
Finance costs	22	7,16,431	5,34,362
Profit/(Loss) Before tax		(8,68,71,413)	(58,22,903)
Add: Exceptional Items		19,36,02,074	20,39,810
Less: Provision for Tax		-	-
Profit after Tax from Continuing operations		10,67,28,661	(37,83,093)
EARNINGS PER SHARE (Basic and diluted)		26.68	(0.95)

As Per our report on even date

For and on behalf of the Board



V. GANESH
Chartered Accountant
M. No.: 208181

Nanik Rohera
Nanik Rohera
Chairman

Nitesh Rohera
Nitesh Rohera
Managing Director

G Nagaraju
G Nagaraju
Director
Place: Bangalore
Date:

K Muddiah
K Muddiah
Director

Notes to Financial Statements for the Year Ended 31-03-2014

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, 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.

2.1 Summary of significant accounting policies

a. 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.

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:

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

k. 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.

l. 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.

m. 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.

Notes to Financial Statements for the Year Ended 31-03-2014

31st March 2014
Rs.

31st March 2013
Rs.

3 Share Capital

Authorised Shares

1,00,00,000 (31 March 2013: 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 2013: 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, 2014		March 31, 2013	
	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, 2014		March 31, 2013	
	Shares	%	Shares	%
Nanik Rohera	1,704,700	42.62%	1,704,700	42.62%
Mukesh Talreja	857,700	21.44%	857,700	21.44%

4 Reserves and Surplus

Central Subsidy

Balance as per last Financials

Rs

Rs

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

Capital Reserve

Opening Balance	-	-
Add: Additions during the year	28,363,512	-
Closing Balance	28,363,512	-
Surplus/(Deficit) in the statement of Profit and Loss		
Balance as per last Financials	(273,934,938)	(270,151,845)
Profit/(Loss) for the Year	106,726,661	(3,783,093)
Less: Appropriations	-	-
Total Appropriations	-	-
Net Deficit in the statement of Profit and Loss	(167,208,277)	(273,934,938)
Total Reserves and Surplus	(128,045,165)	(263,135,338)
5 Long Term Borrowings		
Term Loans		
Bank of India, Bangalore (Secured)		
SASF, Mumbai (Secured)	-	221,355,496
	-	221,355,496
6 Other Long-Term Liabilities		
Advances from Others	73,813,379	64,680,672
Advances from Customers	-	1,000,000
	73,813,379	65,680,672
7 Trade Payables		
- For supplies others	20,510,832	7,541,182
- For Expenses	493,428	1,802,161
	21,004,260	9,343,343
8 Other Current Liabilities		
For Statutory Dues	26,647	55,257
Interest Payable on IFST Loan	-	(2,236,332)
	26,647	(2,181,075)
10 Non-current Investments		
Trade Investments (Valued at Cost)		
Investment in Equity Instruments – Quoted	2,824,520	2,824,520
123120 (31 March 2013: 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

Current Year Nil (31 March 2013: 3,00, 000) Equity shares of Rs.100/- each in Venlon Metacoat Private Limited**

-

Current Year Nil (31 March 2013: 3,96,845) Equity shares of Rs.100/- each in Venlon Metallising Private Limited**

-

-	-
-	10,000
-	10,000
2,824,520	2,834,520

Government & Trusted Securities (Unquoted)

Government & Trust Securities in Kisan vikas pathra

-	10,000
-	10,000
2,824,520	2,834,520

** Equity Shares in Venlon Metacoat Pvt Ltd & Venlon Metallising Private Limited have been sold at Re. 1 per company (Total Rs. 2) Value based on the decision of the Board

11 Inventories (Valued at the lowest of Cost or Net realisable Value)

Raw Materials	20,700
Finished Goods	436,849
Consumables, Stores & spares	8,513
Packing Materials	4,744
-	470,806

12 Trade Receivables (Unsecured - Considered Good)

Debts exceeding six months

Unsecured considered good	806,367
-	806,367

Other Receivables

Unsecured considered good	-
-	806,367

9 Fixed Assets	Amount In								Total	
	LEASE HOLD LAND	BUILDING	PLANT & MACHINERY	ELECTRICAL INSTALLATION	FURNITURE & FIXTURES	OFFICE EQUIPMENT	COMPUTER	VEHICLE/ INTANGIBLE		LEASE HOLD RIGHTS
Cost or valuation										
At 1 April 2012	136,900	13,711,919	160,309,199	3,417,741	344,435	697,337	2,646,962	921,863	170,000	182,356,353
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 March 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										
At 31 March 2014	136,900	13,711,919	160,309,199	3,417,741	344,435	751,152	2,776,796	921,863	170,000	182,540,005
Depreciation										
At 31 March 2011	-	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
Charge for the year		2,218,484	355,327	-	-	1,434	6,919	225,201	-	2,807,365
Disposals										
At 31 March 2014	-	13,590,142	160,309,199	3,417,741	344,435	698,771	2,653,881	890,764	-	181,904,933
Net Block										
At 31 March 2013	136,900	2,340,261	355,327	-	-	-	-	256,301	170,000	3,258,788
At 31 March 2014	136,900	121,777	(0)	-	-	52,381	122,915	31,099	170,000	635,072

13 Cash & Bank Balances		Rs.	Rs.
Balance with Bank			
on Current account		27,695	117,111
Cash in hand		46,660	64,303
		74,356	181,414
14 Short Term Loans & Advances			
Loans & advances to related Parties		-	30,827,653
Unsecured Considered good	A	-	30,827,653
Advances recoverable in cash or kind		794,997	31,379,073
Unsecured Considered good	B	794,997	31,379,073
Other Loans and advances			
Advance Income Tax (net of Provision for tax)			302,560
Balance with Statutory / Government Authorities	C	2,470,176	1,001,916
		2,470,176	1,304,476
TOTAL (A+B+C)		3,265,173	63,511,202
15 Revenue from Operations			
Sale of Finished goods			4,972
Sale of Services			407,824
Revenue from Operations (gross)		-	412,796
Less: Excise duty			
Revenue from Operations (Net)		-	412,796
16 Other income			
Sale of Scrap		73,098	
Other non-operating Income		2	523,602
		73,100	523,602
17 Cost of raw material and components consumed			
Inventory at the beginning of the year		20,700	35,400
Add: Purchases			14,489
		20,700	49,889
Less: Inventory at the end of the year		-	20,700
		20,700	29,189
18 (Increase)/Decrease in Inventories			
Inventory at the end of the year		-	410,636
		-	410,636
Inventory at the beginning of the year		410,636	410,636
		410,636	410,636

	410,636	-
19 Employee benefits Expense		
Salaries, wages & bonus including PF	1,465,132	549,584
	1,465,132	549,584
20 Other Expenses		
Advances Written off **	75,648,262	-
Power, Fuel & Water Charges	1,321,451	719,796
Repairs - Machinery	2,399,904	112,000
Repairs - Other assets	703,677	5,583
Postage & Telephones	15,547	48,054
Vehicle Maintenance	-	195,800
Travelling & Conveyance	71,542	1,987
Printing & Stationery	6,867	13,789
Rent	-	3,000
SIPCOT Maintenance	190,934	57,600
Miscellaneous Expenses	22,472	35,804
Rates & Taxes	28,151	
Professional Charges ***	727,706	3,000
Share Transfer expenses	97,619	53,538
Watch & Ward	293,117	31,213
Packing & Forwarding - Promotion expenses	-	12,105
	81,527,249	1,293,269
**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.33708/- - towards Statutory Audit		
	33,708	
21 Depreciation and amortization expense		
Depreciation on tangible Assets	2,807,365	4,352,897
	2,807,365	4,352,897
22 Finance cost		
Interest & Bank Charges	716,431	534,362
	716,431	534,362

Cash flow statement for the year ended 31 March 2014

	(Rs.)	
	31 March 2014	31 March 2013
Cash flow from operating activities		
Profit before tax from continuing operations	10,67,26,661 -	37,83,093
Profit before tax from discontinuing operations	-	-
Profit before tax	10,67,26,661	37,83,093
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	28,07,365	43,52,897
Write off in Investments	10,000	-
Liability No Longer Required written off	- 19,29,91,984	-
Others	-	-
Operating profit before working capital changes	- 8,34,47,958	5,69,804
Movements in working capital:		
Increase/ (Decrease) in trade payables	1,16,60,917 -	1,62,01,481
Increase/ (decrease) in other current liabilities	22,07,722 -	1,12,95,635
Decrease / (increase) in trade receivables	8,06,367	2,38,680
Decrease / (increase) in inventories	4,70,806	14,700
Decrease / (increase) in other current assets	-	-
Decrease / (increase) short term loans and advances	6,02,46,029	1,08,97,848
Increase / (decrease) in short-term provisions	-	-
Cash generated from/(used in) operations	- 80,56,117 -	1,57,76,084
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	- 80,56,117 -	1,57,76,084
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	- 1,83,649	-
Proceeds from sale of fixed assets	-	-
Net cash flow from/ (used in) investing activities (B)	- 1,83,649	-
Cash flows from financing activities		
Proceeds from long-term borrowings	81,32,707	6,10,26,129
Repayment of long-term borrowings	-	3,01,39,810
Proceeds from short-term borrowings	-	1,51,34,944
Net cash flow from/ (used in) in financing activities (C)	81,32,707	1,57,51,375
Net increase/(decrease) in cash and cash equivalents (A + B + C)	- 1,07,059 -	24,709
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	-
Cash and cash equivalents at the beginning of the year	1,81,414	2,06,124
Cash and cash equivalents at the end of the year	74,355	1,81,414
Components of cash and cash equivalents		
Cash on hand	46,660	64,303
Cheques/ drafts on hand	-	-
With banks on current account		
- In Current accounts	27,695	1,17,111
- on deposit account	-	-
Total cash and cash equivalents (note 18)	74,356	1,81,414

Summary of significant accounting policies

2.1



As Per our report on even date

V.GANESH
Chartered Accountant
M. No.: 208181

M. No. 208181
Place : Bangalore,
Date :

For and on behalf of the Board

Nanik Rohra
Chairman

Nitesh Rohra
Managing Director

G Nagaraju
Director

Mudaliiah
Director

Place : Bangalore,

Date :

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS:

Registration No	State code No	Balance Sheet Date
U00309KA1982P TC004960	08	31.03.2014

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
679	679

SOURCES OF FUNDS:

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
40,000	(128045)	-	73813

APPLICATION OF FUNDS:

Net fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Capital WIP
3,459	-	(17691)	-	-

ACCUMULATED LOSSES: (167208)

IV. PERFORMANCE OF COMPANY (IN RS. thousands)

Turn over/other Income	Total Expenditure	+Profit/Loss before tax	+Profit/Loss after tax
195981	89255	106726	106726

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

Earning per Share in Rs. 26.68

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 Accountant
M. No.: 208181

PLACE: Bangalore
DATE:


Nanik G Rohera
Chairman


Nitesh Rohera
Managing Director


Nagaraju
Director


R Mudraiah
Director

Place: Bangalore
Date:

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: L00309KA1982PLC004960
2. Annual financial statements for the year ended 31st March 2014
3. Type of Audit qualification ~~Qualified~~ / Subject to / ~~Except for~~
4. Frequency of qualification Whether appeared first time / repetitive / since how long period: since 4 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 and Sundry Debtors/ Creditors.
Response: Board does not foresee any material impact on reconciliation
Other information available on Page 11 of the 31st Annual Report of the Company

6. Additional comments from the board/audit committee chair: NIL

7. To be signed by-

Managing Director



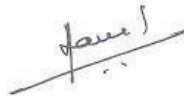
NITESH ROHERA

CFO



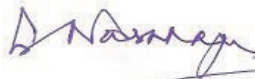
NANIK ROHERA

Auditor of the company



V GANESH, CHARTERED ACCOUNTANT

Audit Committee Chairman



G NAGARAJU, A.C.C.

FORM MGT 11
THIRTY FIRST 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 THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held at Vijay nagar Club, Vijay Nagar, Bangalore on 25 September 2014 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

Pursuant to section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014
CIN: L00309KA1982PLC004960

THIRTY FIRST ANNUAL GENERAL MEETING PROXY FORM

Name of Member:
Registered Address:
Email id:
Folio #/ Client Id:
DP ID:

I/We----- being a Member / Members, hereby appoint ----- of ----- or failing him/ her ----- of ----- as my / our Proxy to attend and vote for me / us on my / our behalf at the 31st Annual General Meeting of the Company to be held on 25 September 2014 and at any adjournment thereof in respect of the following resolutions:

- 1.
- 2.
- 3.

Signature of Shareholder
Signed this _____ day of _____ 2014
Name _____
Address _____

Signature of Proxy

*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.