

**PAN ELECTRONICS (INDIA) LIMITED**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS:**

Registration No	State Code No	Balance Sheet Date
U00309KA198 2PTC004960	08	31.03.2010

**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.)**

Total Liabilities	Total assets
308,778,242	308,778,242

**SOURCES OF FUNDS:**

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
40000	11,132,936	257,645,306	-

**APPLICATION OF FUNDS:**

Net fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Capital WIP
17,335,552	2,834,520	43,065,903	2,500	-

ACCUMULATED LOSSES: 245,542,267

**IV. PERFORMANCE OF COMPANY (Amount in thousands)**

Turn over	Total Expenditure	Profit/(Loss) before tax	Profit/(Loss) after tax
5,330,572	15,363,174	(10,032,602)	(9,858,494)

Earning per Share in Rs -2.46

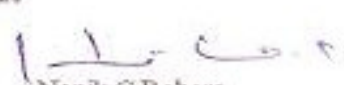
Dividend Rate %: NIL


**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 Film
85322104	Plastic Film Capacitor Elements / Capacitor
85321002	Electronic Capacitor Grade Metallised Polyester Film

As per our Report of Even date

  
**V. GANESH**  
Chartered Accountant  
Date: 28.07.2010

  
**Nanik G Rohera**  
Chairman

  
**Nitesh Rohera**  
Managing Director

**V. GANESH**  
Chartered Accountant



**PAN ELECTRONICS (INDIA) LIMITED**

**27th**

**ANNUAL REPORT**

**2009 - 2010**

## **PAN ELECTRONICS (INDIA) LIMITED**

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### **BOARD OF DIRECTORS**

Shri Nanik G Rohera	Chairman
Shri Nitesh Rohera	Managing Director
Shri G. Nagaraju	Director
Shri H N Tarachandani	Director
Shri K.M Muddaiah	Director

### **AUDITORS:**

Mr. V Ganesh, Chartered Accountant, Bangalore.

### **FINANCIAL INSTITUTIONS:**

Industrial Development Bank of India Limited (IDBI)

### **BANKERS**

HDFC Bank, Darga, Hosur

Bank of India, Corporate Banking Branch, Bangalore

### **REGISTERED OFFICE:**

69, 3rd Cross, Cubbon pet, Bangalore 560 002

### **REGISTRARS & SHARE TRANSFER AGENTS:**

M/s. Alpha Systems Private Limited, 30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003

### **FACTORY:**

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

## PAN ELECTRONICS (INDIA) LIMITED


### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED will be held on 15<sup>th</sup> September 2010 at Vijay Nagar Club, 1<sup>st</sup> main, 2<sup>nd</sup> stage, Vijay nagar, Bangalore 560104 at 3.30 pm to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2010, the audited Profit and Loss Account 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 Nanik G Rohem, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri H.N. Tarachandani, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint statutory auditors to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD

  
NANIK G ROHERA  
Chairman

Place: Bangalore  
Date 28.07.2010

#### NOTES:

1. A member entitled to attend and vote in the above meeting is entitled to appoint proxies to attend and vote instead of himself and such proxy need not be a Member of the Company. In order to be effective, Proxies must be received by the Company not less than 48 hours before the Meeting.
2. The Register of Members and the Share Transfer Books in respect of Equity Share of the Company shall remain closed from 8 Sept 2010 to 15 Sept 2010 (both days inclusive)
3. Members are requested to notify the change in address if any, immediately to the Registered Office of the Company at No. 69, III Cross, Cubbonpet, Bangalore 560 002, where the Register of Members and index of Members are kept.
4. All documents referred to above are open for inspection. Members seeking clarification on accounts are requested to write to the Registered Office at # 69 Cubbonpet, III Cross, Bangalore 560 002 at an early date to enable the Management to keep the information ready.
5. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting and hand it over at the entrance hall.
6. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.



## DIRECTORS REPORT

Your Directors present their Twenty Seventh Annual Report together with the Audited Annual Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS:	Rs. in lakhs	
	2009 - 10	2008 -09
Profit / (Loss) before Depreciation	(33.49)	(18.60)
Less: Depreciation	35.61	81.72
Profit/(Loss) before Tax	(69.1)	(100.32)
Provision for Tax	-	0.19
Profit/(Loss) brought forward	(2455.42)	(2356.84)
Disposable Profits / (Loss)	(67.76)	(98.58)
Deficit carried forward	(2523.19)	(2455.42)

## PERFORMANCE:

Your Company has achieved product sales of Rs 42.40 lakhs (Previous year 40.36 lakhs) and executed Job Work of the value of Rs 1.25 lakhs (Previous year 1.22 lakhs) during the year. However there is a loss due to increase in cost of materials sold and due to under utilization of the capacity.

## DIRECTORS

In accordance with the provisions of Companies Act 1956 and Articles of Association of the Company, Shri Nanik G Rohra retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

In accordance with the provisions of Companies Act 1956 and Articles of Association of the Company, Shri H. N. Tarachandani retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

## SECRETARIAL COMPLIANCE REPORT

Secretarial compliance report dated 28th July 2010 as given by Shri S. Viswanathan, Practising Company Secretary is available for inspection at the Registered Office of the company.

## AUDITORS

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

## FIXED DEPOSITS

Your Company has not accepted any deposits from the Public.

## LISTING

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

## CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement, a Report on Corporate Governance on an annual basis and Management Discussion and Analysis Report are given as annexure to the Report.

## WHOLLY OWNED SUBSIDIARY COMPANIES

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

Documents of the wholly-owned Subsidiary Companies required to be enclosed, pursuant to Section 212 (1) of the Companies Act, 1956 are attached together with the Consolidated Accounts as required by Accounting Standard 21 issued by the Institute of Chartered Accountants of India. The Report of the Auditors on the Consolidated Accounts is also attached.

## SECTION 212

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

	VENLON Metallising	VENLON Metacoat
1. Financial year of the subsidiary ending on	Mar 31, 10	Mar 31, 10
2 (a) Num of shares held by the holding company including holding through nominee	3,986,845	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 (Rs. in lacs)		
Capital	396.85	300.00
Reserves and surplus	-3319.00	-1020.96
Total assets	525.95	153.62
Total liabilities	3449.64	876.92
Investment	1.20	2.85
Turn over (including other income)	23.83	0.98
Loss before Tax	16.88	-
Provision for taxation including FBT and deferred tax	-	-
Loss after tax.	16.88	0.98



## **DIRECTORS RESPONSIBILITY STATEMENT**

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

## **AUDITORS OBSERVATIONS**

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

Regarding observation in respect of non-provision of penal interest and liquidated charges by Financial Institutions and guarantee of Rs. 770 lacs of IDBI, the Board wishes to inform that dues with TIIIC and IDBI have been settled. Hence no such provisions are necessary. Regarding provision towards guarantee of Rs. 50 lakhs given to Canara Bank, Mysore securing due repayment of term loan obtained by Dev Power Corp, the matter is pending at Arbitral Tribunal.

Regarding non-creation of provision of doubtful advances, in respect of wholly owned subsidiary viz Venlon Metallising Private Limited & Venlon Metacoat Private Limited, 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 application 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:

Alpha Systems Private Limited, 30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore 560 003

## **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.


## **PARTICULARS OF EMPLOYEES**

There are no employees covered by Section 212(2) A of the Companies Act 1956.

The Directors place on record their sincere gratitude to IDBI/ SASE, SIPCOT, Bank of India, 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 also gratefully acknowledge the support extended by the shareholders.

For and On behalf of the Board of Directors

Place: Bangalore  
Date: 28.07.2010

  
Nanik G Rohem  
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 & outgo	The information on Foreign Exchange Earnings and outgo is furnished in the Notes of accounts.
D	RESEARCH & DEVELOPMENT	
1.	Specific area in which R & D carried out by the Company	The Company has established R&D Section to improve the quality of metallization, etc.
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 revamp its production & marketing strategies with an objective to improve the quality of the process and products and increase market share domestically & internationally
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

Place: Bangalore  
Date: 28.07.2010

  
Nanik Rohem



**PANELECTRONICS (India) LIMITED**  
**Report on Corporate Governance as on 31<sup>st</sup> March 2010**

Report on Corporate Governance as on 31 March 2010						
Sl No	Particulars			Yes / No		
1	Brief statement on Company's philosophy on code of governance			The Company follows a system of sound human values, creditability in matters of commercial transactions and fair view and approach in all operations		
2	Board of Directors					
	A	Composition and Category of Directors i.e break up of Directors in to the Following				
	I	Executive		2 Members		
	II	Non-Executive		3		
	III	Independent non-executive		3		
	IV	Nominee Director		NIL		
	V	Institutional Director-In which capacity - Lender or Shareholder Whether: Non-executive directors - minimum 30% of total Directors		NIL		
		Num of independent Directors		Three		
		If Chairman is executive - 1/2 of the board		More than half of the Board is not executive		
		If Chairman is non-executive - 1/3 of the board		Not applicable		
	B	Disclose whether Chairman is Executive / Non Executive		Yes Chairman is Executive		
	C	Attendance of each director at the time of Directors meeting and last AGM				
Name		Category	Date of AGM	Num of Board Meetings	Num of other Directorship	Num of other Committee Membership
			29.9.09		In Public Co.	
Nanik Rohera		Chairman Non-Independent	Present	4	Nil	1
Nitesh Rohera		Managing Director, Non-Independent	Present	4	Nil	1
B K Banerjee		Non-Executive, Independent	Present	2	Nil	1
H N Tarachandani		Non-Executive Independent	Present	4	Nil	2
G. Nagaraju		Non-Executive Independent	-	3	Nil	2
K.M. Muddaiah		Non-Executive Independent	Present	2	Nil	1
Brief resume of retiring Director: Shri Nanik C Rohera has been the Chairman of the Company since the company became public. Shri H.N. Tarachandani is retired General Manager (Banking) of Reserve Bank of India and his presence in the Board is of immense help to the Board.						
	Whether gap between any two consecutive Board Meetings is not				There is no gap of more than four months	

The Board of Directors

Committee broadly 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 the statutory auditors.

Others (as covered in Clause 49 (II) (D) of the listing agreement)

I	Composition, name of members and Chairperson	3 Independent Directors 1. Shri G. Nagaraju - Chairman 2. Shri H N Tarachandani - Member 3. Shri K M Muddaiah - Member 4. Shri B K Banerjee - Member (up to 29 th September 2009) All the Directors have financial accounting knowledge and are non executive and independent
ii	Num of meetings and attendance during the year	Five on 18.04.09, 31.07.09, 02.09.09, 23.10.09 & 19.01.10 Shri H N Tarachandani - Present : 3 Meetings Shri G Nagaraju - Present : 3 Meetings Shri K.M. Muddaiah - Present : 1 Meeting Shri B K Banerjee - Present : 2 Meetings
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 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 and Managing Director draw no remuneration.	
I	Brief description of terms of reference	
ii	Composition, name of members and Chairperson	Shri G. Nagaraju - Chairman Shri H. N Tarachandani - Member
iii	Attendance during the year	-
iv	Remuneration policy	The Company adhered to provisions of Schedule XIII of the Companies Act, 1956, while fixing the remuneration package to its Managing Director. The compensation to Non-Executive Directors is as decided by the Remuneration Committee and ratified by the Board / General Body.