



PAN

ELECTRONICS (INDIA) LTD.

32nd

ANNUAL REPORT

2014 - 2015

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

STATUTORY AUDITORS:

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

BANKERS

Stat Bank of India, Peenya Branch, Bangalore

REGISTERED OFFICE:

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

REGISTRARS & SHARE TRANSFER AGENTS:

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

FACTORY:

Plot # 83, Phase I,
SIPCOT Industrial Complex,
HOSUR 635 126
<http://www.panelectronicsindia.com/investors>

Contents:

Notice of Meeting	3
Instructions for E-voting	7
Director's Report	9
Report on Corporate Governance	14
Secretarial Audit Report	21
Extract of Annual Return	23
CFO Certificate	29
Auditor's Report	30
Balance Sheet	37
Profit & Loss Account	38
Schedule to Accounts	39
Cash Flow Statement	49
Attendance Slip / Proxy form	53

NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

Place: Bangalore

Date: 14/08/2015

By Order of the Board

Gullu Talreja
Chairman

Registered Office:

69, 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 18/09/2015 to 25/09/2015 (both days inclusive).
5. Members are requested to notify change in address, if any, immediately to M/s Integrated Enterprises., Registrars and Share Transfer Agents situated at 30, Ramana Residency, 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: 14/08/2015

By Order of the Board

Gullu Talreja
Chairman & Managing Director

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

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

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

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

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

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

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

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

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

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

Instructions for E-voting:

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

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

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

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

The instructions for E-voting are as under:

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

Fill up the following details in the appropriate boxes:

	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 first two letters of their name and 8 digits of sequence numbers (eg 00000001) in the PAN field.

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

DIRECTORS' REPORT

Dear Members,

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

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

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

DIVIDEND:

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

PROFITABILITY:

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

FINANCE AND TAXATION:

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

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

FIXED DEPOSITS:

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

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

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

INDUSTRIAL RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

DIRECTORS:

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

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

LISTING AGREEMENT WITH STOCK EXCHANGES:

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

CORPORATE GOVERNANCE

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