



**33<sup>rd</sup>**  
**ANNUAL REPORT**  
**2015 - 2016**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Shri Gullu Talreja	Chairman & Managing Director
Shri Abhishek Talreja	Whole Time Director
Shri H N Tarachandani	Additional Director (Independent) (from 10 August 2015)
Smt Sangeetalashmi Bhat	Additional Director (Independent) (from 10 August 2015)

### STATUTORY AUDITORS:

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

### BANKERS:

Stat Bank of India, Peenya Branch, Bengaluru

### REGISTERED OFFICE:

16B, 1<sup>st</sup> Phase, Peenya Industrial Area, Bengaluru – 560 058

### REGISTRARS & SHARE TRANSFER AGENTS:

M/s. Integrated Enterprises (India) Limited (Formerly Alpha Enterprises Pvt Ltd),  
30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru 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	5
Director's Report	6
Report on Corporate Governance	11
Secretarial Audit Report	17
Extract of Annual Return	19
CFO Certificate	25
Auditor's Certificate on Corporate Governance	26
Auditor's Report	27
Balance Sheet	34
Profit & Loss Account	35
Cash Flow Statement	36
Schedule to Accounts	38
Attendance Slip / Proxy form	53

## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Thirty Three Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED will be held on Thursday 29<sup>th</sup> September, 2016 at 3.00 P.M at Vijay Nagar club, Vijay Nagar, Bengaluru – 560 040 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Financial Statement as at 31st March 2016, and reports of the Board of Directors, Corporate Governance and Auditors thereon.
2. To appoint a Director in place of Shri. Abhishek Talreja (DIN: 05007867), Director, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules made thereunder, as amended from time to time, M/s Shreesh & Co., Chartered Accountants, Bengaluru (Registration No. 015828s), present Auditors of the company, being eligible for re-appointment, be and hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM, authorize the Board of Directors to fix their remuneration.”

By Order of the Board  
**PAN Electronics (India) Limited**

Sd/-  
**Gullu Talreja**  
Chairman

Place: Bengaluru  
Date: 10/08/2016

### **Registered Office:**

16b, 1<sup>st</sup> Phase, Peenya Industrial Area,  
Peenya, Bengaluru – 560 058  
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. 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.
3. The Register of members and the Share Transfer Books in respect of the equity shares of the company will remain closed from 22/09/2016 to 28/09/2016 (both days inclusive).
4. Members are requested to notify change in address, if any, immediately to M/s Integrated Enterprises (India) Limited., Registrars and Share Transfer Agents situated at 30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleshwaram, Bengaluru 560003, quoting folio number / demat particulars.
5. 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.
6. 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.
7. 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.

By Order of the Board  
**PAN Electronics (India) Limited**

Sd/-  
**Gullu Talreja**  
Chairman

Place: Bengaluru  
Date: 10/08/2016

**Registered Office:**

16b, 1<sup>st</sup> Phase, Peenya Industrial Area,  
Peenya, Bengaluru – 560 058  
CIN: L00309KA1982PLC004960

#### 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)	160902047
---------------------------------	-----------

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

Commencement of e-voting : From **09.00 a.m.** (IST) on **26 September 2016**

End of e-voting : Up to **5.00 p.m.** (IST) on **28 September 2016**

The instructions for E-voting are as under:

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

Fill up the following details in the appropriate boxes:

	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 **22 September 2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xvi) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 22 September 2016.
- (xvii) **Shri Vivek Bhat, Company Secretary**, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xviii) The scrutiniser shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xix) The results of the e-voting along with the scrutinizers report shall be placed on the Company's website [www.panelectronicsindia.com/investors](http://www.panelectronicsindia.com/investors) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Three Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31<sup>st</sup> March 2016.

FINANCIAL RESULTS		As At 31st March 2016 Rupees	As At 31st March 2015 Rupees
<b>01 REVENUE FROM OPERATIONS</b>			-
Net Revenue from Operations		4,19,986	
<b>02 OTHER INCOME</b>		57,07,896	15,85,758
<b>03 TOTAL REVENUE [ 1 + 2 ]</b>		<b>61,27,882</b>	<b>15,85,758</b>
<b>04 EXPENSES</b>			
Cost of Material Consumed		16,23,085	76,738
Changes in Inventories of Finished Goods, WIP & Stock in Trade		1,58,763	(2,29,724)
Employee Benefit Expenses		26,86,596	15,30,010
Depreciation and Amortization Expenses		2,51,306	96,358
Other Expenses		39,57,583	35,16,348
<b>Total Expenses</b>		<b>86,77,333</b>	<b>49,89,729</b>
<b>05 PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX [3-4]</b>		(25,49,451)	(34,03,971)
<b>06 EXCEPTIONAL ITEMS</b>		-	-
<b>07 PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX [5-6]</b>		(25,49,451)	(34,03,971)
<b>08 EXTRAORDINARY ITEMS</b>		-	-
<b>09 PROFIT / (LOSS) BEFORE TAX [ 7 - 8 ]</b>		(25,49,451)	(34,03,971)
<b>10 TAX EXPENSES</b>			
1. Current Tax [MAT]		-	-
Less: MAT Credit entitlement		-	-
Net Current Tax		-	-
2. Deferred Tax: Asset/(Liability)		-	-
<b>11 PROFIT / [ LOSS] FOR THE PERIOD FROM CONTINUING OPERATIONS [9-10]</b>		(25,49,451)	(34,03,971)
<b>12 PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS</b>		-	-
<b>13 TAX EXPENSES OF DISCONTINUING OPERATIONS</b>		-	-
<b>14 PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS [AFTER TAX] [12-13]</b>		-	-
<b>15 PROFIT / [LOSS] FOR THE PERIOD [11+14]</b>		(25,49,451)	(34,03,911)
<b>16 EARNING PER EQUITY SHARE ( Basic and Diluted)</b>		(0.64)	(0.85)

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 to that extent. There has been underutilization leading to loss. However, the Company has settled and paid all FIs and Banks.

**FINANCE AND TAXATION:**

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

Income tax assessment for the assessment years 2014-15 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 four directors of whom two are independent directors.

Sl. No.	Name of the Director	Appointment/ Resignation Date	Date of event
1.	Hari Naunmal Tarachandani	Appointment as an Independent Director	10-08-2015
2.	Sangeethalakshmi Bhat	Appointment as an Independent Director	10-08-2015
3.	K Madaiah	Resignation from an Independent Director	10-08-2015
4.	G Nagaraju	Resignation from an Independent Director	10-08-2015
5.	Kanchan Dutta	Resignation from an Independent Director	10-08-2015

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 Shreesh & Co., Chartered Accountant, for the compliance is annexed and forms part of this report.

**COMPANY SECRETARY**

Your Company has appointed Company Secretary keeping in view of the provisions contained in Companies Act, 2013. The duties are presently complied by him.

**AUDITORS:**

M/s Shreesh & Co, (Firm No. 015828s) Chartered Accountants, who are the statutory auditors of the Company, hold office until the conclusion of the ensuing AGM and are eligible for re-appointment. Members of the Company at the AGM held on 25 September, 2015 had approved the appointment of M/s Shreesh & Co, as the Statutory Auditors. As required by the provisions of the Companies Act, 2013, the auditors to be appointed by members at the AGM. Accordingly, requisite resolution forms part of the notice convening the AGM.

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

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies, the reviews performed by Management and the relevant Board Committees, the Board, with the concurrence of the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on 31 March, 2016.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that we 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 profit and loss of the Company for that period;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and
- f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

**SECRETARIAL AUDITORS REMARKS**

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board of Directors appointed Vivek Bhat, Practicing Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2015-16 and their report is annexed to this Board report. In connection, with the auditors observation in the report;-

The Company has not given paper advertisement for financial disclosures.

Reply : Company in loss and not able to bear the advertisement expenses in relation to publishing in newspaper. However inadvertently compliance not taken place properly due to not having company secretary. The company will take necessary action with the requirements.

The Board has also appointed Vivek Bhat, as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2016-17.

**MANAGEMENT DISCUSSION & ANALYSIS**

A	Industry structure and developments	Electronic Metallized Polypropylene and Polyester film industry is well organized in India. Your Company is one of the five major players in the Country. The market domestically has been growing at about 5-10% per annum.
B	Opportunities and threats.	The Company faces excessive competition resulting in reduction in margins and fluctuations in import exchange costs.
C	Segment wise or product wise performance	There are no segmental operations as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India.
D	Outlook for the company	The Company has successfully paid Financial Institutions all dues. The Company has started 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.*

By Order of the Board  
**PAN Electronics (India) Limited**

**Sd/-**  
**Gullu Talreja**  
Chairman

Place: Bengaluru  
Date: 10/08/2016

**Registered Office:**  
16b, 1<sup>st</sup> Phase, Peenya Industrial Area,  
Peenya, Bengaluru – 560 058  
CIN: L00309KA1982PLC004960

### **Annexure 'A' to Directors Report**

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

### **FORM A (See Rule 2)**

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

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

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

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

By Order of the Board  
**PAN Electronics (India) Limited**

Place: Bengaluru  
Date:10/08/2016

Sd/-  
**Gullu Talreja**  
Chairman