



34th

ANNUAL REPORT

2016 - 2017

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Gullu Gellaram Talreja	Chairman & Managing Director
Shri Abhishek Prakash Talreja	Whole Time Director
Shri Hari Naunmal Tarachandani	Director (Independent) (from 10 August 2015)
Smt Sangeethalakshmi Bhat	Director (Independent) (from 10 August 2015)

STATUTORY AUDITORS:

M/s. B N Subramanya & Co., Chartered Accountant, Bengaluru

COMPANY SECRETARY & COMPLIANCE OFFICER

Manjunatha Hegade

BANKERS:

Shamrao Vithal Co-Operative Bank Limited, Yeshwanthpur Branch, Bengaluru

REGISTERED OFFICE:

16B, 1st Phase, Peenya Industrial Area, Bengaluru – 560 058

REGISTRARS & SHARE TRANSFER AGENTS:

Integrated Registry Management Services Private Limited (Formerly Integrated Enterprises (India) Limited),
30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru 560 003

FACTORY:

New Municipal No.7, 16B, 1st Phase, Peenya Industrial Area, Bengaluru – 560 05
<http://www.panelectronicsindia.com/investors>

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Four Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED will be held on Wednesday 27th September, 2017 at 3.00 P.M at Hotel Premier Comforts, 13/2, S.M. Road, Ayyappa Temple Road, Jalahalli Cross (West), Bangalore – 560 015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statement as at 31st March 2017, 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. B. N. Subramanya & Co., (Firm Registration No: 004142S) Chartered Accountants, be and is hereby appointed as a statutory auditor of the company, to hold office for a period of Five (5) consecutive years commencing from the financial year 2017-18, subject to ratification at every annual general meeting, on remuneration that may be determined by the audit committee in consultation with auditors, and that such remuneration may be paid on progressive billing basis.

By Order of the Board
PAN Electronics (India) Limited

Bangalore
04/09/2017

Sd/-
GULLU GELLARAM TALREJA
Managing Director | DIN 01740145

Registered Office:

16b, 1st 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 21/09/2017 to 27/09/2017 (both days inclusive). Members are requested to notify change in address, if any, immediately to Integrated Registry Management Services Private Limited, 30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru 560 003, quoting folio number / demat particulars.
4. 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.
5. 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.
6. 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

Bangalore
04/09/2017

Sd/-
GULLU GELLARAM TALREJA
Managing Director | DIN 01740145

Registered Office:

16b, 1st 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)	170907038
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The e-voting facility will be available during the following voting period:

Commencement of e-voting : From **9.00 a.m.** (IST) on **24th September 2017**

End of e-voting : Up to **5.00 p.m.** (IST) on **26th September 2017**

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 **20th September 2017**, 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 20th September 2017.
- (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.

PAN ELECTRONICS (INDIA) LIMITED
CIN: L00309KA1982PLC004960

Form No. MGT – 11

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: L00309KA1982PLC004960

Name of the Company: PAN ELECTRONICS (INDIA) LIMITED

Registered Office: 16b, 1st Phase, Peenya Industrial Area, Peenya, Bengaluru – 560 058.

Name of the Member (s) :
Registered address:
E-mail Id:
Folio No / Client Id:
DP ID:

I / We, being the member(s) of ____ shares of the above mentioned company, hereby Appoint

1. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him/her

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him/her

3. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him/her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on September 27, 2017 at 03:00 p.m. at Hotel Premier Comforts, 13/2, S.M. Road, Ayyappa Temple Road, Jalahalli Cross (West), Bangalore – 560 015 and at any adjournment thereof, resolutions as set out in the Notice convening the meeting.

Signed this ____ day of _____, 2017

Signature of Shareholder

Affix Revenue Stamp

Signature of Proxy Holder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

THIRTY FOURTH 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 FOURTH ANNUAL GENERAL MEETING of the Company to be held at Hotel Premier Comforts, 13/2, S.M. Road, Ayyappa Temple Road, Jalahalli Cross (West), Bangalore – 560 015 on 27 September 2017 at 3.00 pm

MEMBER'S SIGNATURE

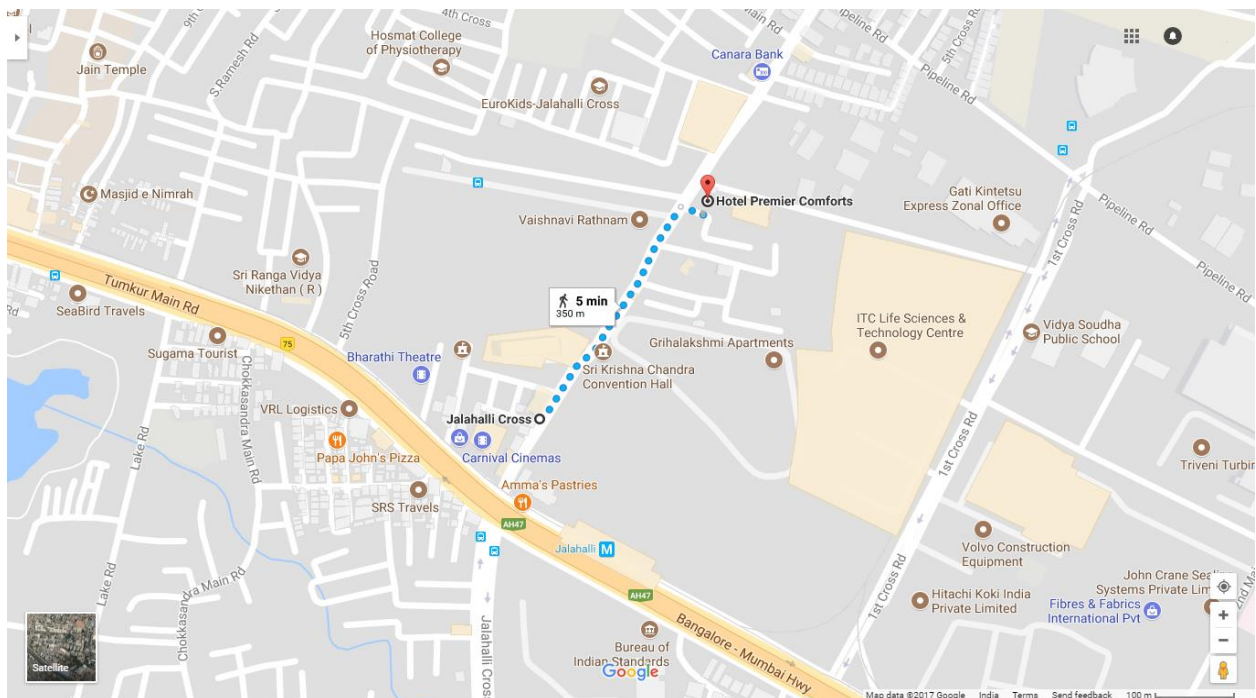
Member's/Proxy's name in block letters

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

AGM Avenue route map



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirty Four Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March 2017.

FINANCIAL RESULTS	As at 31st March 2017 Rupees	As at 31st March 2016 Rupees
01 REVENUE FROM OPERATIONS		
Net Revenue from Operations	33,49,904	4,19,986
02 OTHER INCOME	6,10,820	57,07,896
03 TOTAL REVENUE [1 + 2]	39,60,724	61,27,882
04 EXPENSES		
Cost of Material Consumed	52,72,869	16,23,085
Changes in Inventories of Finished Goods, WIP & Stock in Trade	(12,16,621)	1,58,763
Employee Benefit Expenses	46,14,629	26,86,596
Finance cost	5,22,814	24,771
Depreciation and Amortization Expenses	61,97,832	2,51,306
Other Expenses	79,15,594	39,57,583
Total Expenses	2,33,07,117	86,77,333
05 PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX [3-4]	(1,93,46,393)	(25,49,451)
06 EXCEPTIONAL ITEMS	(23,348)	-
07 PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX [5-6]	(1,93,69,741)	(25,49,451)
08 EXTRAORDINARY ITEMS	-	-
09 PROFIT / (LOSS) BEFORE TAX [7 - 8]	(1,93,69,741)	(25,49,451)
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]	(1,93,69,741)	(25,49,451)
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]	(1,93,69,741)	(25,49,451)
16 EARNING PER EQUITY SHARE (Basic and Diluted)	(4.84)	(0.64)

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.

RESERVE & SURPLUS

No amount is proposed to be transferred to the General Reserve.

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 2016-17 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 – 2 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.

BOARD OF DIRECTORS' & KEY MANAGERIAL PERSONNEL

Directors:

The Board consists of four directors of whom two are independent directors.

Sl. No.	Name of the Director	Appointment/ Resignation Date	Date of appointment
1.	Gullu Gellaram Talreja	Managing Director	06-01-2015
2.	Abhishek Prakash Talreja	Whole time Director	06-01-2015
3.	Hari Naunmal Tarachandani	Director (Independent)	10-08-2015
4.	Sangeethalakshmi Bhat	Director (Independent)	10-08-2015

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

As per the provisions of the Companies Act, 2013, Mr. Abhishek Prakash Talreja retires at the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

Mr. Gullu Gellaram Talreja who was appointed as Managing Director of the company for a term of Five

PAN ELECTRONICS (INDIA) LIMITED
CIN: L00309KA1982PLC004960

years. A brief resume and other details of Mr. Abhishek Prakash Talreja as required under the Listing Regulations, Companies Act, 2013 and Secretarial Standard are provided form part of Corporate Governance Report.

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 REPORT:

In terms of Regulation 34 read with Schedule V of LODR with the Stock Exchanges. A separate section on Corporate Governance, along with a certificate from M/s. B. N. Subramanya & Co., (Firm Registration No: 004142S) Chartered Accountants, for the compliance is Annexure – 4 and forms part of this report.

COMPANY SECRETARY

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

AUDITORS:

M/s. B. N. Subramanya & Co., (Firm Registration No: 004142S) Chartered Accountants, hold office until the conclusion of the five year period. 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.

SUBSIDIARY, JOINTVENTURE AND ASSOCIATE COMPANY

There is no Subsidiary, Joint Venture and Associate Company

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 – 3 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, 2017.

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 Secretary as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2016-17 and his 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.

Book closure intimation has not given to the Stock Exchange for the AGM held on 29th September, 2016.

Reply: However inadvertently compliance not taken place properly due to not having company secretary. The company will take necessary action with the requirements.

Corporate Governance Report as on 31/12/2016 filed after due date i.e. 18/1/2017 Penalty of Rs. 5000 has been paid to Exchange.

Reply: Corporate Governance Report filed within due date, Due to technical problem. After knowing we filed corporate governance report along with fine.

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 2017-18.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.

There are no contract or arrangement made with related parties referred to in Section 188 (1) of the Companies Act, 2013, hence Form AOC -2 is not applicable.

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received necessary declaration from Independent Director under Section 149 (7) of the Companies Act, 2013, that he/she met the criteria of independence laid down in section 149 (6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 (LODR).

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board, and separate its functions of governance and management.

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of directors and other matters as required under Section 178 (3) of the Companies Act, 2013 is available on the Company's website. There has been no change in the policy since the last fiscal year. We affirm that, remuneration paid to the directors is as per the terms laid

out in the Nomination and Remuneration policy of the Company. Details of Policy on directors' appointment and remuneration form part of the Corporate Governance report.

INTERNAL FINANCIAL CONTROL

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013. For the year ended March 31, 2017, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

RISK MANAGEMENT POLICY

Pursuant to Section 134 (n) of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management committee of the Board of directors of the Company has been constituted. The details of the committee and its terms of reference are set out in the corporate governance report forming part of this report. While the Company has identified certain major risks and initiated appropriate measures to mitigate the said risks, a process to enhance the risk management framework is underway.

EXTRACT OF THE ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as Annexure 1 to the Boards' Report.

NUMBER OF BOARD MEETINGS

The Board met four times during the Fiscal 2016-17. The details of which are given in the Corporate Governance report that forms part of this Annual Report. The maximum gap between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

COMMITTEES OF THE BOARD

As on March 31, 2017, the Board had three Committees: the Audit committee, the Nomination and Remuneration committee and the Stakeholders Relationship committee. The detailed note on composition of the Board and its committees excluding Corporate Social Responsibility Committee is disclosed in the Report on Corporate Governance forming part of this report.

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.

GENERAL

Your Directors state as follows

1. No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.
2. There was no issue of equity shares with differential rights, as to voting, dividend or otherwise.
3. There was no issue of shares including as sweat equity shares or employee stock options.
4. There were no deposits covered under Chapter V of the Companies Act, 2013.
5. No money has been provided by the company for purchase of its own shares by employees or by trustees for the benefit of employees.
6. No subsidiaries have paid remuneration to Managing Director.
7. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the year under review there were no cases filed pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the contribution and support of the employees at all levels. They also place on record their appreciation of the continued support and faith extended during the year by the Company's customers, suppliers, bankers and shareholders.

Bangalore
30/05/2017

By Order of the Board
PAN Electronics (India) Limited
Sd/-
GULLU GELLARAM TALREJA
Managing Director | DIN 01740145

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L00309KA1982PLC004960
2.	Registration Date	20/09/1982
3.	Name of the Company	PAN ELECTRONICS (INDIA) LIMITED
4.	Category/Sub-category of the Company	Public Company Limited By Shares
5.	Address of the Registered office & contact details	16b, 1 st Phase, Peenya Industrial Area, Peenya, Bengaluru – 560 058
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Private Limited 30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru 560 003

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Metallised Plastic Films	99887590	90%
2	Capacitor Elements	99887590	10%

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2792460		2792460	69.81	2817560		2817560	70.44	0.63
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									

Total shareholding of Promoter (A)	2792460		2792460	69.81	2817560		2817560	70.44	0.63
(2) Foreign									
a) NRI-Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other...									
SUB TOTAL (A) (2)									
Total Shareholding of Promoter (A) = (A)(1)+(A) (2)	2792460		2792460	69.81	2817560		2817560	70.44	0.63
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	3000	200	3200	0.08	3000	200	3200	0.08	-
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									

PAN ELECTRONICS (INDIA) LIMITED

CIN: L00309KA1982PLC004960

i) Others (specify)									
Sub-total (B)(1):-	3000	200	3200	0.08	3000	200	3200	0.08	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14645	24300	38945	0.97	7747	24300	32047	0.80	-0.17
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	330100	536295	866395	21.66	333911	518495	852406	21.31	-0.35
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	142400	1151100	257500	6.44	151187	100000	251187	6.28	-
c) Others (specify)									
Non Resident Indians	41500		41500	1.04	41500		41500	1.04	-
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members					2100		2100	0.05	0.05
Trusts									
Foreign Bodies - DR									
Sub-total (B)(2):-	528645	675695	1204340	30.11	536445	642795	1179240	29.48	-0.63
Total Public Shareholding	531645	675895	1207540	30.19	539445	642995	1182440	29.56	-0.63

(B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	3324105	675895	4000000	100.00	3357005	642995	4000000	100.00	

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GULLU TALREJA G	2792460	69.81	-	2817560	70.44	-	0.63

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholders Name	Shareholding at the beginning of the Year - 01.04.2016		Date	Increase/Decrease in Share Holding	Reason	Cumulative Shareholding during the year - 31.03.2017	
		No. of Shares	% of total shares of the company				No. of shares	% of total shares of the company
1	GULLU TALREJA G	2792460	69.81	01.04.2016	-	-	2792460	69.81
				08.07.2016	15100	BOUGHT	2807560	70.19
				12.08.2016	5400	BOUGHT	2812960	70.32
				26.08.2016	4600	BOUGHT	2817560	70.44
				31.03.2017	-	-	2817560	70.44

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SHAREHOLDING AT THE BEGINNING OF THE YEAR - 01.04.2016				CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2017					
SL. NO.	NAME OF THE SHARE HOLDER	No. of Shares	% of Total Shares of the Company	Date	Increase/Decrease in Share Holding	Reason	No. Of Shares	% of Total Shares of the Company	
1	DEVENDRA P. SOLANKI	138300	3.46	01.04.2016	-	-	138300	3.46	
				31.12.2016	787	BOUGHT	139087	3.48	

				31.03.2017	-	-	139087	3.48
2	MANGAL BHANSHALI	100000	2.50	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017	-	-	100000	2.50
3	JYOTHINDRAN KOZHIKODE PUTHEN VEETIL	21500	0.54	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017	-	-	21500	0.54
4	RITA KUMAR CHAINANI	20000	0.50	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017	-	-	20000	0.50
5	MADHU H JAIDHARA	15100	0.38	01.04.2016	-	-	15100	0.38
				30.06.2016	-15100	SOLD	0	0.00
				31.03.2017	-	-	0	0.00
6	RAVI SHAMLAL AHUJA	12100	0.30	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017	-	-	12100	0.30
7	ANANTH BHAT	10000	0.25	01.04.2016	-	-	10000	0.25
				26.08.2016	-2600	SOLD	7400	0.19
				31.03.2017	-	-	7400	0.19
8	MANSUKH GOVIND GOHIL	8000	0.20	01.04.2016	-	-	8000	0.20
				10.03.2017	107	BOUGHT	8107	0.20
				31.03.2017	-	-	8107	0.20
9	PLASTCON PACKAGING PVT LTD	7200	0.18	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017	-	-	7200	0.18
10	SABHA ARENJA	7000	0.18	01.04.2016	NO MOVEMENT DURING THE YEAR			
				31.03.2017			7000	0.18

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GULLU TALREJA ^G	2792460	69.81	-	2817560	70.44	-	0.63

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		10,62,28,901		
ii) Interest due but not paid				
iii) Interest accrued but not due				

Total (i+ii+iii)		10,62,28,901		
Change in Indebtedness during the financial year				
* Addition		1,62,61,484		
* Reduction				
Net Change		12,24,90,385		
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		12,24,90,385		12,24,90,385

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		H Tarachandani	Sangeetalakshmi Bhat	
1	Independent Directors			
	Fee for attending board committee meetings	5,000	5,000	10,000
	Commission			
	Others, please specify			
	Total (1)	5,000	5,000	10,000
2	Other Non-Executive Directors			
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission			
	Others, please specify			
	Total (2)			

	Total (B)=(1+2)	5,000	5,000	10,000
	Total Remuneration	Managerial		
	Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary		1,75,000		1,75,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total		1,75,000		1,75,000

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Bangalore
30/05/2017

Sd/-
GULLU GELLARAM TALREJA
Managing Director | DIN 01740145

Sd/-
ABHISHEK PRAKASH TALREJA
Whole-time Director | DIN 05007867

Annexure to Directors Report

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

A	CONSERVATION OF ENERGY	The Company continues to pursue its efforts to conserve the energy resources with its focus on reducing fuel and electrical energy costs.
B	TECHNOLOGY ABSORPTION	Furnished below
C	Foreign Exchange earnings & out go	The information on Foreign Exchange Earnings and outgo is furnished in the Notes to the accounts.
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

For and on behalf of the Board of Directors

Bangalore
30/05/2017

Sd/-
GULLU GELLARAM TALREJA
Managing Director | DIN 01740145

Sd/-
ABHISHEK PRAKASH TALREJA
Whole-time Director | DIN 05007867

Annexure - 3

Details of Ratio of Remuneration of Director [Section 197(12), of the Companies Act 2013, read with Rule 5 of 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.

For and on behalf of the Board of Directors

Bangalore
30/05/2017

Sd/-
GULLU GELLARAM TALREJA
Managing Director | DIN 01740145

Sd/-
ABHISHEK PRAKASH TALREJA
Whole-time Director | DIN 05007867

Corporate Governance Report for the year 2016-17

(SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations/LODR))

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
		29.09.16	Attended/ Held	(In public Companies)	
Shri. Gullu G Tarleja DoB: 12 March 1952 DoA: 6 January 2015	Chairman & Managing Director	Present	5/5	1	NIL
Shri Abhishek P Talreja DoB: 26 July 1980 DoA: 6 January 2015	Whole time Director, Non-Independent – Executive	Present	5/5	1	2
Shri. H N Tarachandani DoA: 10 August 2015	Independent Non-Executive	Present	5/5	1	2
Smt Sangeeta Laxmi Bhatt DoA: 10 August 2015	Independent Non-Executive	Present	5/5	NIL	2

DoB: Date of Birth; DoA: Date of Appointment; DoR: Date of Resignation

Brief Resume of Managing and Whole time Directors:

Shri Gullu G Tarleja

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

Shri Abhishek P Talreja

Operations & Marketing literate Executive and is the Whole time Director of the Company

3. Audit Committee

The Board reconstituted the Audit Committee. 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 LODR)

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. H N Tarachandani, Chairman	Independent Non-Executive	5	5
Smt Sangeeta Laxmi Bhatt	Independent Non-Executive	5	5
Shri Abhishek P Talreja	Whole Time Director	5	5

Four Audit Committee Meetings were held during the year 2016-17. The said meetings were held on the following dates: 14/5/2016, 10/8/2016, 11/11/2016, 01/02/2017 and 14/02/2017.

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. The terms of reference to the committee are as per the requirements of LODR.

The composition of the revised Remuneration Committee is given below:

NAME OF MEMBER	CATEGORY
Shri. H N Tarachandani, Chairman	Independent Non-Executive
Shri. Sangeeta Laxmi Bhatt, Member	Independent Non-Executive

Remuneration Committee met on 06/01/2015 and recommended revised Remuneration package to Managing Director for the years 2015-16 to 2019-20.

Remuneration Policy

The Company has adhered to provisions of Schedule V of the Companies Act, 2013 while fixing the remuneration package to its Managing Director and Executive Director.

Details of remuneration for 2016-17 and Tenure:

Name	Remuneration	Sitting Fee	Tenure
Shri Gullu G Talreja	Nil	Rs. 2500	Upto date in Form 25C
Shri Abhishek P Talreja	Nil	Rs. 2500	Appointment has been proposed for 5 years wef 25 Sept 2015
Shri H N Tarachandani	Nil	Rs. 2500	Appointment has been proposed for 5 years wef 25 Sept 2015
Smt Sangeeta Laxmi Bhatt	Nil	Rs. 2500	Appointment has been proposed for 5 years wef 25 Sept 2015

Disclosure of shares held by Non –Executive Directors in the Company as on 31/03/2017

Shri. H N Tarachandani – NIL

Smt Sangeeta Laxmi Bhatt – NIL

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. Gullu G Talreja, Chairman	Chairman (from 6 January 2015)
Shri. Abhishek P Talreja, Member	Executive (from 6 January 2015)

Scope:

- i) To approve transfer and transmission of shares in Physical form.
- ii) To oversee redressal of complaints.
- iii) To approve Demat of Shares

Meetings were held on: 03/07/16, 05/10/16, and 04/01/17

6. Name & designation of Compliance Officer :

Shri Manjunatha Hegde
Company Secretary and Compliance officer

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
25/09/2014 at 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bengaluru
25/09/2015 at 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bengaluru
29/09/2016 at 3 pm	AGM	Vijay Nagar club, Vijay Nagar, Bengaluru

b) Investor Complaints:

No. of complaints received from Shareholders from 1.4.2016 to 31.3.2017	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 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 website and stock exchange.
Any website, where displayed – On company website: www.panelectronicsindia.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@panelectronicsindia.com.

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-16	-	-
May-16	3.22	3.22
Jun-16	-	-
Jul-16	3.25	3.25
Aug-16	3.25	3.09
Sep-16	3.24	3.24
Oct-16	3.57	3.23
Nov-16	3.39	3.39
Dec-16	3.90	3.54
Jan-17	4.08	3.89
Feb-17	3.88	3.88
Mar-17	4.07	3.70

Registrar and Transfer Agents:

Integrated Registry Management Services Private Limited (Formerly Integrated Enterprises (India) Limited),
30 Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru 560 003

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	of Share Holders Percentage	Number of shares held	Shareholding Percentage
Up to 5000	2251	87.01	395135	9.88
5001 to 10000	201	7.77	172285	4.31
10001 to 20000	71	2.74	105605	2.64
20001 to 30000	27	1.04	66907	1.67
30001 to 40000	15	0.58	53652	1.34
40001 to 50000	6	0.23	27618	0.69
50001 to 100000	10	0.39	68551	1.71
100001 & above	6	0.23	3110247	77.76
TOTAL	2587	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, 2017, 83.93% 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:

New Municipal No.7, 16B, 1st Phase, Peenya Industrial Area, Bengaluru – 560 058

Address for correspondence:

16B Peenya Industrial Area Phase I, Peenya, Bengaluru 560 052

Share Holding Pattern as on 31/03/2017:

	Category	# of Shares Held	%age of Share Holding
A	Promoters Holding		
	Promoters		
	Indian Promoters	28,17,560	70.44
	Foreign Promoters		
	Sub-Total	28,17,560	70.44
B	Non-Promoters Holding		
	Institutional Investors		
	a. Mutual Funds & UTI		
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt Institutions/ Non Government Institutions)	3,200	0.08
	c. Foreign Institutional Investors		
	Sub-Total	3,200	0.08
	Others		
	a. Private Corporate Bodies	34,147	0.85
	b. Indian Public	11,03,593	27.59
	c. NRI	41,500	1.04
	Subtotal	11,79,240	29.48
	Grand Total	40,00,000	100.00

Declaration:

I, Gullu Gellaram Talreja, Chairman & Managing Director, hereby declare that all the Board Members and Senior Management personnel have complied with code of conduct adopted by the Company.

For and on behalf of the Board of Directors

Bangalore
30/05/2017

Sd/-
GULLU GELLARAM TALREJA
Managing Director | DIN 01740145

Sd/-
ABHISHEK PRAKASH TALREJA
Whole-time Director | DIN 05007867

Compliance certificate by Managing Director and Whole-time Director as per Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors

PAN ELECTRONICS (INDIA) LIMITED (Company)

16B, 1st Phase, Peenya Industrial Area,
Bengaluru – 560 058

This is to certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that 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. That there have been no significant changes in internal control over financial reporting during the year;
 - ii. That there have been no significant changes in accounting policies during the year needing specific disclosure in the notes to the financial statements; and
 - iii. The instances of significant fraud of which we have become aware and confirmed that no member of the management or an employee having a significant role in the listed entity's internal control system over financial reporting is involved therein.

For and on behalf of the Board of Directors

Bangalore
30/05/2017

Sd/-
GULLU GELLARAM TALREJA
Managing Director | DIN 01740145

Sd/-
ABHISHEK PRAKASH TALREJA
Whole-time Director | DIN 05007867

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
M/s Pan Electronics (India) Limited
16B, 1st Phase, Peenya Industrial Area
Bangalore – 560058.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Pan Electronics (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Pan Electronics (India) Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of investment in overseas subsidiary and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

VI. Other laws applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Limited.
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above except to the extent as mentioned below
 1. The Company has not given paper advertisement for Board meeting Notice, AGM Notice and for financial Results.
 2. Book closure intimation has not given to the Stock Exchange for the AGM held on 29th September, 2016.
 3. Corporate Governance Report as on 31/12/2016 filed after due date i.e. 18/1/2017 Penalty of Rs. 5000 has been paid to Exchange.
 4. Trading Window closure intimation not given to Stock Exchange for two quarters i.e. June and September.
 5. The Company has not appointed Chief Financial Officer as required under section 203 of the Companies Act, 2013
 6. The Company has not appointed Internal Auditor during the year.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Bangalore
30/05/2017

Sd/-
Vivek Bhat
FCS-7708, CP 8426

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

PAN ELECTRONICS (INDIA) LIMITED
CIN: L00309KA1982PLC004960

To,
The Members
M/s Pan Electronics (India) Limited
16B, 1st Phase, Peenya Industrial Area
Bangalore – 560058.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bangalore
30/05/2017

Sd/-
Vivek Bhat
FCS-7708, CP 8426

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF PAN ELECTRONICS (INDIA) LIMITED

To the members of Pan Electronics (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by Pan Electronics (India) Limited for the year ended 31st March, 2017, as stipulated in
 - Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI [Listing Obligations and Disclosure Requirements] Regulations 2015 for the period April 01st, 2016 to March 31st, 2017.
2. 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 the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note of Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI [Listing Obligations and Disclosure Requirements] Regulations 2015, subject to the following:
 - The Number of directors stipulated by SEBI [Listing Obligations and Disclosure Requirements] Regulations 2015 in Nomination and Remuneration committee is atleast 3 directors, but the company has appointed only 2 directors.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B N Subramanya & Co., Chartered
Accountants
Firm Reg.No. 04142S

Bangalore
30/05/2017

Devendra Nayak
Partner
Membership No.027449

FORM A

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 2017
3.	Type of Audit observation	Un Modified / Emphasis of Matter
4.	Frequency of observation	Whether appeared first time / repetitive / since how long period: since 1 years
	To be signed by-	
	CEO / Managing Director	Sd/- Gullu G Talreja
5.	CFO / Whole-time Director	Sd/- Abhishek P Talreja
	Auditor of the company	Sd/- Shreesh Kumar Eshwar Hegde
	Audit Committee Chairman	Sd/- H N Tarachandani

Place : Bangalore
Date: 30/05/2017

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PAN ELECTRONICS (INDIA) LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s. PAN ELECTRONICS (INDIA) LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2017;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and such disclosures are in accordance with the Books of accounts maintained by the Company.

For B N Subramanya & Co., Chartered
Accountants
Firm Reg.No. 04142S

Bangalore
30/05/2017

Devendra Nayak
Partner
Membership No.027449

Annexure A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

i) Fixed Assets

- a) The Company has maintained proper records of fixed assets showing full particulars, including quantitative details and situation of the assets.
- b) The Management has conducted a physical verification of the fixed assets during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company.

ii) Inventory

The inventory has been physically verified during the year by the management at reasonable intervals and there are no material discrepancies noticed.

iii) Loans and Advances

The Company has not granted loans, secured or unsecured, to companies, firms, LLP's or other parties covered in the register maintained u/s 189 of the Act.

iv) Loans/Investments/Guarantees

In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with in respect of loans, investments, guarantees, and security given by the company.

v) Deposits

According to the information and explanation given to us, the company has not accepted any deposits, consequently directives of the RBI and the provision of Section 73 and 76 or any other relevant provision of the Companies Act, 2013, and the rules framed there under are not applicable to the company.

vi) Cost records

According to information and explanation given to us, the company is not required to maintain cost records as per sub section (1) of section 148 of the Act, hence no comment is required on the same.

vii) Statutory Dues

a) The Company is irregular in depositing with the appropriate authorities undisputed statutory dues relating to Income tax. The company has the following arrears of statutory dues as at the balance sheet date which were outstanding for more than 6 months from the date they became payable

Name of Statute	Nature of the dues	Amount in Rs.	Period to which the amount relates	Due date
Income Tax Act,1961	Tax Deducted at Source	Rs.79,678	April 1 st , 2016 to September 30 th ,2016	7 th of Subsequent month

However, the company is regular in depositing with appropriate authorities other undisputed statutory dues including PF, ESI, Income Tax, sales tax, service tax, custom duty, excise duty, VAT, cess and other material statutory dues applicable to it.

b) There are no dues of Sales Tax, Service Tax, Customs Duty, Excise Duty and VAT which have not been deposited on account of any dispute. The particulars of Income Tax which have not been deposited on account of any dispute is as follows:

Name of Statute	Nature of the dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	Rs.54,95,820	Assessment Year 2014-15	Assessing officer

viii) Repayment of Loans

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.

ix) Diversion of Funds

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no further public offer during the year and the company has not borrowed any term loans.

x) Frauds noticed / Detected

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no material fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

xi) Managerial Remuneration

According to the information and explanations given to us and based on our examination of the records of the company, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii) Nidhi Company

The company is not a Nidhi Company as mentioned in section 406 of the Companies Act, 2013 and hence no comment is required on the same.

xiii) Related Party Transactions

According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of the transactions have been disclosed in the Financial Statements as required by the accounting standards and The Companies Act, 2013.

xiv) Preferential allotment

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence no comment is required on the same.

xv) Non-cash transactions

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him and hence no comment is required on the same.

xvi) Certification for Non-Banking Financial Institution

The company is not a Non-Banking Financial Institution, hence registration under section 45-IA of the Reserve Bank of India Act, 1934 is not required.

For B N Subramanya & Co., Chartered
Accountants
Firm Reg.No. 04142S

Bangalore
30/05/2017

Devendra Nayak
Partner
Membership No.027449

Annexure B to Auditors' report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/s. PAN ELECTRONICS (INDIA) LIMITED** ("the Company") as of March 31st, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India. These

responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error

PAN ELECTRONICS (INDIA) LIMITED
CIN: L00309KA1982PLC004960

or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For B N Subramanya & Co., Chartered
Accountants
Firm Reg.No. 04142S

Bangalore
30/05/2017

Devendra Nayak
Partner
Membership No.027449

Pan Electronics (India) Limited
No.16B, 1st Phase,Peenya Industrial Estate,
Peenya, Bengaluru-560 058
CIN : L00309KA1982PLC004960

Balance sheet as at

Particulars	Note No	31-Mar-17	31-Mar-16
Equity and Liabilities			
Shareholder's funds			
Share Capital	2	40,000,000	40,000,000
Reserves and Surplus	3	91,225,192	110,594,933
Money received against share warrants			
		131,225,192	150,594,933
Share Application money pending allotment		-	-
Non-Current Liabilities			
Long-Term borrowings		-	-
Deffered Tax Liability(Net)		-	-
Other Long Term Liabilities	4	122,490,385	106,228,901
Long term Provisions		-	-
		122,490,385	106,228,901
Current Liabilities			
Short term borrowings	5	4,896,743	-
Trade Payables	6		
(a)total outstanding dues of micro enterprises and small enterprises and		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,548,339	7,772,267
Other Current Liabilities	7	106,384	105,018
Short term provisions		-	-
		10,551,466	7,877,285
TOTAL		264,267,043	264,701,119
Assets			
Non-Current Assets			
Fixed Assets			
(i) Tangible assets	8	245,712,885	251,848,158
(ii) Intangible assets			
(iii) Capital Work-in-Progress			
Non Current Investments	9	2,824,520	2,824,520

Deffered Tax Asset(net)	10	-	-
Long term loans and advances		-	-
Other non-current assets		-	-
		248,537,405	254,672,678
Current Assets			
Current Investments		-	-
Inventories	11	8,014,003	2,963,383
Trade receivables	12	3,060,872	481,348
Cash & Cash Equivalents	13	496,857	4,458,544
Short Term Loans & Advances	14	4,157,905	2,125,165
Other Current Assets		-	-
		15,729,638	10,028,441
TOTAL		264,267,043	264,701,119

Significant accounting policies

1

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B N Subramanya & Co

For Pan Electronics (India) Limited

Chartered Accountants

Firm Registration Number: 04142S

Devendra Nayak

Gullu G Talreja

Abhishek P

Talreja

Partner

Chairman & Managing Director

Director

Membership No. 27449

DIN : 01740145

DIN : 05007867

Place : Bengaluru

Manjunath Hegade

Date : 30/05/2017

Company Secretary

M.No.45989

Pan Electronics (India) Limited
No.16B, 1st Phase,Peenya Industrial Estate,
Peenya, Bengaluru-560 058
CIN : L00309KA1982PLC004960

Statement of profit and loss for the year ended

Particulars	Note No	31-Mar-17	31-Mar-16
Income			
Revenue from Operations (gross)	15	3,349,904	419,986
Other Income	16	610,820	5,707,896
		3,960,724	6,127,882
Expenditure			
Cost of Goods Sold	17	5,272,869	1,623,085
(Increase)/Decrease in Stock	18	(1,216,621)	158,763
Employee Benefits expense	19	4,614,629	2,686,596
Finance costs	20	522,814	24,771
Depreciation	8	6,197,832	251,306
Other Expenses	21	7,915,594	3,932,812
		23,307,117	8,677,333
Profit/Loss before exceptional items and tax		(19,346,393)	(2,549,451)
Add/(Less): Prior Period Items	22	(23,348)	-
Profit/(Loss) before and tax		(19,369,741)	(2,549,451)
Tax expense			
- Current tax		-	-
- Previous year		-	-
- Deferred tax		-	-
Profit or (Loss) for the period		(19,369,741)	(2,549,451)

Earning per equity share

Basic and diluted **(4.84)** **(0.64)**

Significant accounting policies **1**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **B N Subramanya & Co**, Chartered Accountants For **Pan Electronics (India) Limited**

Firm Registration Number: 04142S

Devendra Nayak
Partner
Membership No. 27449

Gullu G Talreja
Chairman & Managing Director
DIN : 01740145

Abhishek P Talreja
Director
DIN : 05007867

Place : Bengaluru

Manjunath Hegade
Company Secretary

Date : 30/05/2017

M.No.45989

Pan Electronics (India) Limited
CIN : L00309KA1982PLC004960
Statement of cash flows for the year ended

Particulars	For the Year ended 31 March 2017	For the Year ended 31 March 2016
Cash flow from operating activities		
Profit before tax from continuing operations	(19,369,741)	(2,549,451)
Profit before tax from discontinuing operations	-	-
Profit before tax	(19,369,741)	(2,549,451)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortisation on continuing operation(Refer Note to Schedule 8)	6,296,598	251,306
Profit on sale of Assets	(96,617)	-
Provisions	10,000	-
Operating profit before working capital changes	(13,159,760)	(2,298,145)
Movements in working capital :		
Increase/ (decrease) in trade payables	(2,223,928)	(12,001,100)
Increase/ (decrease) in other current liabilities	1,366	(1,097,057)
Decrease / (increase) in trade receivables	(2,579,524)	(481,348)
Decrease / (increase) in inventories	(5,050,620)	(2,733,659)
Decrease / (increase) in other current assets	-	-
Decrease / (increase) short term loans and advances	(2,032,740)	1,382,736
Increase / (decrease) in capital reserve	-	(5,000,000)
Cash generated from /(used in) operations	(25,045,206)	(22,228,573)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	(25,045,206)	(22,228,573)
Cash flows from investing activities		
Purchase of fixed assets	(1,047,710)	(1,967,230)
Sale of Fixed Assets	983,000	
Net cash flow from/ (used in) investing activities (B)	(64,710)	(1,967,230)
Cash flows from financing activities		
Proceeds of Other Long Term Liabilities	16,261,484	27,618,673
Proceeds from short-term borrowings	4,896,743	-
Net cash flow from/ (used in) in financing activities (C)	21,158,227	27,618,673
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(3,951,688)	3,422,870
Cash and cash equivalents at the beginning of the year	4,458,545	1,035,674
Cash and cash equivalents at the end of the year	506,857	4,458,544

Components of cash and cash equivalents

Cash on hand	416,340	1,656,438
Cheques/ drafts on hand	-	-
With banks- on current account	-	-
- In current accounts	90,517	112,106
- on deposit account	-	2,690,000
Total cash and cash equivalents	506,857	4,458,544

Notes to the cash flow statement:

Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 : "Cash Flow Statements" as specified in Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

The previous year's figure have been recast, restated wherever necessary to confirm to the current presentation.

As per our report of even date attached

For **B N Subramanya & Co**
Chartered Accountants
Firm Registration Number: 04142S

For **Pan Electronics (India) Limited**

Devendra Nayak
Partner
Membership No. 27449

Gullu G Talreja
Chairman & Managing Director
DIN : 01740145

Abhishek P Talreja
Director
DIN : 05007867

Place : Bengaluru
Date : 30/05/2017

Manjunath Hegade
Company Secretary
M.No.45989

2 Share Capital

Particulars	As at 31 March 2017	As at 31 March 2016
Authorised Capital 1,00,00,000 Equity shares of Rs.10/- each (Previous Year 1,00,00,000 Equity shares of Rs.10/- each)	100,000,000	100,000,000
Equity Shares with Voting Rights Issued, Subscribed and fully Paid up shares 40,00,000 Equity shares of Rs.10/- each fully paid up (Previous Year 40,00,000 Equity shares of Rs.10/- each)	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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Value of shares	Number of shares	Value of shares
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.

(c) Details of shareholders holding more than 5% shares in the company

Name	31 March 2017		31 March 2016	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Gullu G. Talreja	2,817,560	70.44%	2,792,460	69.81%

(d) No shares are reserved for issue under options or contracts/commitments for the sale of shares/ dis-investment.

(e) There are no calls unpaid by directors or officers of the company.

(f) No Shares has been held by holding company/ ultimate holding company/subsidiaries/associates.

3 Reserves and Surplus

Particulars	As at 31 March 2017	As at 31 March 2016
Central Subsidy		
Balance at the beginning of the year	1,500,000	1,500,000
Add/(Less): Receipts/appropriations	-	-
Closing Balance(a)	1,500,000	1,500,000
Share Premium		
Balance at the beginning of the year	9,299,600	9,299,600
Add/(Less): Receipts/appropriations	-	-
Closing Balance(b)	9,299,600	9,299,600
Capital Reserve		
Balance at the beginning of the year	23,363,512	23,363,512
Add/(Less): Receipts/appropriations	-	-
Closing Balance (c)	23,363,512	23,363,512
Revaluation Reserve		
Balance at the beginning of the year	249,593,520	249,593,520
(Less): Depreciation	-	-
Closing Balance (d)	249,593,520	249,593,520
Surplus/(Deficit) in the statement of Profit and Loss		
Balance at the beginning of the year	(173,161,699)	(170,612,248)
Add/(Less): Surplus for the period	(19,369,741)	(2,549,451)
Add/(Less): Appropriations	-	-
Closing Balance(e)	(192,531,440)	(173,161,699)
Total(a+b+c+d+e)	91,225,192	110,594,933

4 Other Long-Term Liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
Others - from Related parties	122,490,385	106,228,901
Total	122,490,385	106,228,901

5 Short Term Borrowings

Particulars	As at 31 March 2017	As at 31 March 2016
Secured Loan Working Capital loan from Banks Shamrao Vittal Co-operative bank Limited	4,896,743	-
Total	4,896,743	-

*Note- Working Loan is secured by charge on Immovable Property, Movable Property and Book Debts

6 Trade Payables

Particulars	As at 31 March 2017	As at 31 March 2016
Dues to Micro and Small Enterprises Others	- 5,548,339	- 7,772,267
Total	5,548,339	7,772,267

Note: Balances of trade payables and classification of MSME are subject to confirmation by the concerned parties.

7 Other Current Liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
For Statutory Dues	106,384	105,018
Total	106,384	105,018

9 Non-current Investments

Particulars	As at 31 March 2017	As at 31 March 2016
Investment in Equity Instruments [1,23,120 (31 March 2016: 1,23,120) Equity Shares of Rs.5/- each fully paid in the shares of M/s. Venlon Enterprises Limited]	2,824,520	2,824,520
Total	2,824,520	2,824,520

10 Deferred Tax Liability/(Asset)d Tax Liability/(Asset)

Particulars	As at 31 March 2017	As at 31 March 2016
Timing Differences due to depreciation on Fixed Assets	(857,583)	(1,129,890)
On Account of Losses	(11,851,212)	(26,028,382)
Total*	(12,708,795)	(27,158,272)

*Deferred Tax Asset of Rs.1,27,08,795/-(P.Y.2,71,58,272/-) has been identified and has not been recognized based on prudence.

11 Inventories

Particulars	As at 31 March 2017	As at 31 March 2016
Raw Materials	6,726,421	2,892,422
Finished Goods	1,287,582	70,961
Total	8,014,003	2,963,383

12 Trade Receivables

Particulars	As at 31 March 2017	As at 31 March 2016
Unsecured, Considered Good Trade receivables outstanding for a period exceeding six months from the date they became due	1,206,198	-
Other	1,854,674	481,348
Total	3,060,872	481,348

Schedule
-8

Description	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at	Additions	Deletions	As at	As at	Additions	Deletions	As at	As at	As at
	01.04.2016			31.03.2017	01.04.2016			31.03.2017	31.03.2017	31.03.2016
Tangible Assets										
Lease Hold Land	204,641,420	-	-	204,641,420	-	3,091,394	-	3,091,394	201,550,026	204,641,420
Lease Hold Right	170,000	-	-	170,000	-	56,427	-	56,427	113,573	170,000
Building	26,180,137	-	-	26,180,137	13,632,289	415,607	-	14,047,896	12,132,241	12,547,848
Plant and Machinery	194,438,544	1,016,710	983,000	194,472,254	160,396,930	2,631,868	96,617	162,932,181	31,540,073	34,041,614
Electrical Installation	3,417,741	-	-	3,417,741	3,417,741	-	-	3,417,741	-	-
Furniture and Fixtures	344,435	-	-	344,435	344,435	-	-	344,435	-	-
Office Equipment	1,209,819	-	-	1,209,819	762,545	91,733	-	854,278	355,541	447,274
Computer	2,776,796	31,000	-	2,807,796	2,776,795	9,569	-	2,786,364	21,432	1
Vehicle	921,863	-	-	921,863	921,862	-	-	921,862	1	1
Total	434,100,755	1,047,710	983,000	434,165,465	182,252,597	6,296,598	96,617	188,452,578	245,712,885	251,848,158
Previous year Figures	182,540,005	251,560,750	-	434,100,755	182,001,290	251,306	-	182,252,597	251,848,158	538,715

Note :

During the year, an amount of Rs.98,787 has been charged as depreciation and the same has been reflected under Prior Period Items as it was due to wrong accounting in the previous years.

During the previous year, the Company has appointed chartered engineers and registered valuers in conducting the revaluation of fixed assets situated at plant including lease hold land, accordingly, the upward revaluation of fixed assets have been made at Rs. 20,45,04,250, Rs. 1,21,49,000 and Rs. 3,29,40,000 of leasehold land, building and plant & machinery respectively. Thus, the total revaluation of fixed assets amounted to Rs. 24,95,93,520.

13 Cash & Cash Equivalents

Particulars	As at 31 March 2017	As at 31 March 2016
Cash in hand	416,340	1,656,438
Balance with Bank*		
In Current account	90,517	112,106
In Term Deposit	-	2,690,000
Less:Provision for diminision in bank balance	(10,000)	-
Total	496,857	4,458,544

*Note: Bank balances are subject to confirmation

14 Short Term Loans & Advances

Particulars	As at 31 March 2017	As at 31 March 2016
Others		
Unsecured, Considered good		
Advance to Suppliers	340,358	
Staff Advances	383,000	61,531
Statutory / Government Authorities	3,434,547	2,063,634
Total	4,157,905	2,125,165

15 Revenue from Operations

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of Finished goods	4,496,717	419,986
Less: Returns	(672,986)	-
Less: Excise duty	(473,827)	-
Total	3,349,904	419,986

16 Other income

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of Scrap	-	60,145
Interest Income	261,980	
Miscellaneous Income	78,502	
Profit on sale of assets	96,617	
Exchange gain	173,721	
Liability no longer required written back	-	5,647,751
Total	610,820	5,707,896

17 Cost of material and components consumed

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Inventory at the beginning of the year	2,892,422	-
Add: Purchases	9,106,868	4,515,507
	11,999,290	4,515,507
Less: Inventory at the end of the year	6,726,421	2,892,422

Total	5,272,869	1,623,085
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18 (Increase)/Decrease in Inventories

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Inventory at the end of the year	1,287,582	70,961
Inventory at the beginning of the year	70,961	229,724
Total	1,216,621	(158,763)

19 Employee benefits Expense

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries, wages and bonus	4,583,476	2,686,596
Staff Welfare	31,153	-
Total	4,614,629	2,686,596

20 Finance Charges

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Bank charges	77,579	24,771
Loan Processing charges	244,325	-
Interest on cash credit account	200,910	-
Total	522,814	24,771

21 Other Expenses

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Business promotion expenses	170,733	39,563
Power, Fuel & Water Charges	2,573,376	1,753,449
Repairs - Machinery	265,968	423,606
Repairs - Other assets	24,577	411,354
Postage & Telephones	33,062	18,699
Travelling & Conveyance	231,092	128,030
Printing & Stationery	82,582	18,790
SIPCOT Maintenance	97,130	104,379
Miscellaneous Expenses	9,790	87,086
Rates & Taxes	216,361	22,712
Professional Charges	341,599	316,706
Registration charges	2,726,350	-
Share Transfer expenses	-	39,917

Listing and membership fee	266,618	227,453
Security charges	331,897	329,212
Sunscription fee	-	11,856
Freight charges	406,186	-
Insurance Charges	46,891	-
Labour charges	15,476	-
Meeting and Conference expense	41,500	-
Office Expenses	33,415	-
Advances Written off	991	-
Total	7,915,594	3,932,812

22 Prior Period Items

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Prior Period Income		
-Interest Income	39,786	-
-VAT Credit	35,633	-
Prior Period Expenses		
-Depreciation	(98,767)	-
Total	(23,348)	-

23 Capital Commitments

The Company does not have any capital commitments as on the Balance Sheet date. (PY - Nil)

24 Contingent liabilities

As at the Balancesheet date there is a Income Tax Demand of Rs. 54,95,820/- as per the orders issued by the Income Tax department for the Assessment years 2014-15. The company has filed for rectification as the assessment officer has not given the benefit of set off of previous year's loss and the company is confident that the assessment order will be rectified. Hence, no provision for the same has been made.

Disclosures in respect of Micro and Small

25 Enterprises:

Company does not have any outstanding due as at 31st March to Suppliers under the micro, small and Medium enterprises Development Act, requiring disclosure under the Micro, Small and Medium Enterprises Development Act, 2006(MSMED Act).

Foreign Exchange Earnings, Expenditure

26 and Earnings

The company does not have any transactions in foreign currency during the year.

27 Trade Payables, Other Current Liabilities, Trade Receivables, Non-Current Assets, Other Current Assets and Loans & Advances are subject to confirmation.

28 Payment to Auditors

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
As Auditor	-	40,000
For Taxation Matters	-	73,000
For Certification Charges	-	-
Total	-	113,000

29 Related Party Transactions

i) List of Related Parties where control exists:

<u>Name of the party</u>	<u>Nature of Relationship</u>
Gullu Gellaram Talreja	Significant share holder

ii) Names of the related parties with whom transactions were carried out during the year and description of relationship:

<u>Name of the Party</u>	<u>Nature of Relationship</u>
Gullu Gellaram Talreja	Significant share holder
Abhishek Prakask Talreja	Director
Gemini Dyeing & Printing Mills Ltd	Common Director
Maanay Roller Flour Mills Private Ltd	Common Director
Manjunath Hegade	Key Management Personnel

iii) Transaction with key management personnels and Relatives

Particulars	Nature of Relation	For the year ended 31 March 2017	For the year ended 31 March 2016
Other Long Term Liabilities	Common Director	16,261,484	62,907,218
Salaries and Other benefits	Key Management Personnel	203,432	-
Reimbursement of Expenditure	Director	101,500	-

iv) Amount due to/from related parties

Particulars	Nature of Relation	For the year ended 31 March 2017	For the year ended 31 March 2016
Accounts Receivable		-	-
Accounts Payable			
Gemini Dyeing and Printing Mills Limited	Common Directors	108,890,385	92,628,901
Maanay Flour Private Limited	Common Directors	13,600,000	13,600,000

30 Specified Bank Notes

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	379,843	379,843
(+) Permitted receipts	-	200,000	200,000
(-) Permitted payments	-	21,809	21,809
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	558,034	558,034

31 The Financial statement have been prepared in the format prescribed by the Schedule III of the Companies Act 2013. Previous years figures have been recasted/ restated to confirm to the classification of the current period. Figures have been rounded off to the nearest rupee.

32 The company neither has more than one business segment nor more than one geographical segment and thereby segment information as per Accounting Standard 17 on segment reporting is not disclosed.

33 The recoverable amount/Value in use of all assets exceeds the carrying amount as at 31st March 2016, hence the Company has not recognized any impairment losses as required by AS 28 as at that date.

As per our report of even date attached

For **B N Subramanya & Co**
Chartered Accountants
Firm Registration Number:
04142S

For **Pan Electronics (India) Limited**

Devendra Nayak
Partner
Membership No. 27449

Gullu G Talreja
Chairman & Managing
Director
DIN : 01740145

Abhishek P Talreja
Director
DIN : 05007867

Place : Bengaluru
Date : 30th May, 2017

Manjunath Hegade
Company Secretary
M.No.45989