



PAN ELECTRONICS (INDIA) LIMITED

25th

ANNUAL REPORT

2007 - 2008



Certified True copy

FOR PAN ELECTRONICS (INDIA) LTD

NITESH HONERA
Managing Director

PAN ELECTRONICS (INDIA) LIMITED

BOARD OF DIRECTORS

Shri Nanik G Rohera	Chairman
Shri Nitesh Rohera	Managing Director
Shri B K Banerjee	Director
Shri H N Farachandani	Director
Shri G. Nagaraju	Director

AUDITORS:

Mr W. A. P. Thiruthuvadoss, Chartered Accountant, Vellore

FINANCIAL INSTITUTIONS:

Industrial Development Bank of India Limited (IDBI)
Tamilnadu Industrial Investment Corporation Limited (TIIC)

BANKERS

Bank of India, Corporate Banking Branch, SKIP House, Bangalore

REGISTERED OFFICE :

No.69, 3rd Cross, Cubbonpet, Bangalore 560 002.

REGISTRARS & SHARE TRANSFER AGENTS:

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

FACTORY:

Plot No.83
Phase I
SIPCOT Industrial Complex,
HOSUR 635 126

PAN ELECTRONICS (INDIA) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED will be held on Wednesday the 24th September 2008 at Ashirwad Party Hall, No. 1446-A, 18th Main, 4th T Block, 39th F Cross, Jayanagar, Bangalore 560 041 at 3.30 pm to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2008, the audited Profit & Loss Account for the year ended as on that date together with schedules and notes forming part of accounts and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. H. N. Tarachandani who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Nitesh Rohera who retires by rotation and being eligible offers himself for reappointment.
4. To appoint statutory auditors to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD



NANIK G ROHERA
Chairman

Place: Bangalore
Date 01.09.2008

DIRECTORS REPORT

Your Directors present their Twenty Fifth Annual Report together with the Audited Annual Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS:

Rs.in lakhs

	2008	2007
Profit / (Loss) before Depreciation	136.51	(412.04)
Less: Depreciation	81.00	72.51
Profit/(Loss) before Tax	55.65	(484.55)
Provision for Tax	0.15	0.14
Profit/(Loss) brought forward	(2412.34)	(1920.71)
Disposable Profits / (Loss)	55.50	(2422.68)
Deficit carried forward	(2356.84)	(2422.68)

PERFORMANCE:

Your Company has achieved product sales of Rs 50.68 lakhs and executed Job Work of the value of Rs 0.08 lakhs during the year, resulting in increase of Rs 26.10 lakhs as compared to the previous year. However the loss of the Company has increased due to decrease in other income and increase in manufacturing and interest costs.

Your Company has netted a disposable profit of Rs.55.50 lakhs, on account of acquisition of an asset by M/s. Tamilnadu Industrial Investment Corporation Limited. With this, the cumulative loss works out to Rs.2,356.84 lakhs.

DIRECTORS

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

COMPANY SECRETARY

Your Company is trying to appoint a qualified Company Secretary but is unable to locate a suitable candidate. Every effort is being made for appointment in this regard. However, we have retained the services of Shri G D Rama Rao, FCA, ACS, to advice and guide all Company's Secretarial related area and is present at every Audit Committee and Board Meetings. The Company has published an Advertisement for Company Secretary on 26.07.2007 in "The Hindu"

AUDITORS

Mr. W.A.P Thiruthuvados, Chartered Accountant, Vellore retires at the ensuing Annual General Meeting and is eligible for reappointment. You are requested to appoint auditors and authorize the Board of Directors to fix his remuneration in consultation with the Auditor.

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 himself and such proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. The Register of Members and the Share Transfer Books in respect of Equity Share of the Company shall remain closed from 18.09.2008 to 24.09.2008 (both days inclusive)
3. Members are requested to notify the change in address if any, immediately to the Registered Office of the Company at No. 69, III Cross, Cubbonpet, Bangalore 560 002, where the Register of Members and index of Members are kept.
4. All documents referred to above are open for inspection. Members seeking clarification on accounts are requested to write to the Registered Office at No.69 Cubbonpet, III Cross, Bangalore 560 002 at an early date to enable the Management to keep the information ready.
5. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting and hand it over at the entrance hall.
6. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

BY ORDER OF THE BOARD

sd/-

NANIK G ROHERA
CHAIRMAN

Place : Bangalore
Date : 01.09.2008

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Mr. W.A.P Thiruthuvadoss, Chartered Accountant retires at the ensuing Annual General Meeting and is eligible for reappointment. You are requested to appoint auditors and authorize the Board of Directors to fix his remuneration in consultation with the Auditor.

FIXED DEPOSITS

Your Company has not accepted any deposits from the Public.

LISTING

Your Company confirms the payment of Listing Fee to Stock Exchange and continues to be listed at Bombay Stock Exchange Limited, Mumbai and Bangalore Stock Exchange Limited has advised the Management to discuss continue listing with them consequent to certain SEBI guidelines. The matter is in progress.

CORPORATE GOVERNANCE

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

WHOLLY OWNED SUBSIDIARY COMPANIES

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

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

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Your Company has not accepted any deposits from the Public.

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SECTION 212

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

	VENLON Metallising Pvt Ltd	VENLON Metacoat Pvt Ltd
1. Financial year of the subsidiary ending on	31.3.2008	31.3.2008
2 (a) No. of shares held by the holding company including holding through nominee	3,96,845	3,00,000
(b) Extent of interest on the above date	100 %	100%
1. Net aggregate amount of the Subsidiary Company's Profit / (Loss) so far it concerns members of the Holding Company		
a) Capital	396.85	300.00
b) Reserves and surplus	-	20.85
c) Total assets	3,807.92	1,431.78
d) Total liabilities	3,807.92	1,431.78
e) Investment	1.21	2.35
f) Turn over (including other income)	0.02	0.24
g) Profit before Tax	14.27	151.38
h) Provision for taxation including FBT and deferred tax	NIL	NIL
i) Profit after tax.	14.27	151.38

DIRECTORS RESPONSIBILITY STATEMENT

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

AUDITORS OBSERVATIONS

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

Regarding observation in respect of non- provision of penal interest and liquidated charges by Financial Institution, the Board is of the opinion that consequent to the proposed one time settlement the financial institution is likely to waive the penal interest and liquidated damages and as such no provision is necessary.

Regarding non-provision of liability towards guarantee of Rs.770 lakhs given to IDBI securing due repayment of 18% NCD in favour of IDBI by Venlon Metallising Private Limited, an wholly owned subsidiary Company, the Board wishes to state that the matter is under consideration by SASF for one time settlement.

Regarding provision towards guarantee of Rs.100 lakhs given to Canara Bank, Mysore securing due repayment of term loan obtained by Dev Power Corporation, the matter is pending at Debt Recovery Tribunal. Regarding non-creation of provision of doubtful advances, in respect of wholly owned subsidiaries viz Venlon Metallising Private Limited and Venlon Metacoat Private Limited, the Company has stopped its operation for the time being and a revival package has been planned for implementation and therefore the Board is of the opinion that no such provisions are required to be made in the books of accounts.

Regarding non-obtainment of permission of IDBI in respect of shares of Venlon Metallising Private Limited and Venlon Metacoat Private Limited acquired by the Company from its erstwhile Shareholders, the Company has complied with all necessary formalities from its side and only the formal permission is pending. Further giving guarantee and providing security to protect the interest of wholly owned subsidiaries are not prima facie prejudicial to the interest of the Company, including that of a service provider.

Ellora Paper Mills Limited



33rd ANNUAL REPORT
2007-2008

BOARD OF DIRECTORS

Shri V. Dixit	Chairman
Shri C.P. Goenka	Managing Director
Shri Sudhir Goenka	Executive Director
Shri Sunil Goenka	Director
Shri Sandeep Goenka	Director

CHIEF EXECUTIVE

Dr. Sreehari Chava

AUDITORS

Bhattad Rathi & Co.
Chartered Accountants

BANKERS

State Bank of India

R&T Agent

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road
Sakinaka, Andheri(E), Mumbai - 400072

REGISTERED OFFICE

379, Pandit Jawaharlal Nehru Marg
Ashoka Vault Building, Sitabuldi
Nagpur - 440 012

FACTORY

Village : Dewada Khurd; Post: Tumsar
District: Bhandara; State: Maharashtra
PIN: 441912

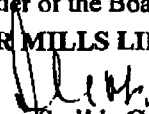
NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of ELLORA PAPER MILLS LIMITED will be held on Thursday, the 25th September, 2008, at 3.00 p.m. at the Registered Office of the Company at 379, Pandit Jawaharlal Nehru Marg, Sitabuldi, Nagpur- 440 012, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2008 and the Balance Sheet as at that date together with reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a director in place of Mr. V.Dixit, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration:
To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
"RESOLVED that M/s. Bhattad Rathi & Company, Chartered Accountants, Nagpur, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors."

By Order of the Board
For ELLORA PAPER MILLS LIMITED


Sudhir Goenka
Executive Director

Nagpur
27th June, 2008

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The register of members of the Company will remain closed from 23.09.2008 to 25.09.2008 (both days inclusive).
3. The dividend, if declared, will be paid to those shareholders of the Company whose names appear in the Register of Members as on 25.09.2008.
4. The Explanatory Statement pursuant to section 173 of the Companies Act, 1956, in respect of business under item No. 4 is annexed hereto.
5. Members are requested to notify immediately the change, if any, in their registered address.

6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 :

As required by Section 173 of the Companies Act, 1956, the following Explanatory statement sets out all material facts relating to the business mentioned under item Number 4 of the accompanying notice dated 27th June 2008.

Item No. 4

In terms of Section 224A of the Companies Act, 1956, in case of a Company in which not less than twenty five percent of the subscribed share capital is held (whether singly or in any combination) by the Public Financial Institutions or Banks, the appointment of Auditors at each Annual General Meeting shall be made by Special Resolution. The Shareholding of Industrial Development Bank of India, Industrial Credit and Investment Corporation of India Limited, Industrial Finance Corporation of India Limited and United Bank of India in the subscribed share capital of the Company exceeds twenty-five percent. Accordingly, a Special Resolution for the appointment of M/s Bhattad Rathi & Co., Chartered Accountants, as Auditors of the Company has been proposed. None of the directors of the Company are interested in the resolution, except to the extent of their respective shareholdings as shareholders of the Company.

By Order of the Board

For **ELLORA PAPER MILLS LIMITED**


Sudhir Goenka
Executive Director

Nagpur
27th June, 2008

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

1. Presentation

Your directors have pleasure in presenting the Annual Report for 2007-08 together with the Audited Accounts for the year ended on 31st March, 2008.

2. Financial Results

The financial results of the operations for the year under review are as follows:

Particulars	Rs. in lakhs	
	2007-08	2006-07
Sales	3755.52	3687.52
Profit Before Interest Depreciation and Tax	286.66	375.28
Less : Interest	77.43	66.54
Depreciation	91.82	84.00
Profit Before Tax	117.41	224.74
Less : Provision for Taxation – Current [Including tax for earlier Year Rs.867199/- (P.Y. Rs Nil)]	26.67	24.00
Profit After Current Tax	90.74	200.74
Deduct: Deferred Tax Liability	6.31	3.59
ADD / (Deduct): Prior Period Adjustments		1.76
Add: Profit brought forward from previous year	703.64	552.08
Profit Available for Appropriation	788.07	750.99
Deduct: Proposed Dividend	19.94	23.92
Dividend Tax	2.82	3.36
Transfer to General Reserve	9.94	20.07
Profit carried forward to Balance Sheet	755.37	703.64

3. REVIEW OF OPERATIONS

During the year under review, the Company posted sales turnover of Rs.3755.52 lakhs as against Rs.3687.52 lakhs during the previous year. The Company has been able to maintain the sales volumes. But, Profit After Current Tax has declined from Rs. 200.74 Lakhs in 2006-07 to Rs. 117.41 Lakhs in 2007-08, primarily, due to increase in raw material prices

4. RICE PLANT

After having achieved optimum utilization in the Paper Plant, your Company has put up a Buller make Rice Plant of 160 MT per day / 48000 MT per annum in the same premises of the existing works. The plant has commenced operations in the second half of March 2008. The Company's works are located in the midst of paddy growing area and thus possess additional economic and logistic advantages.

5. DIVIDEND

The Directors have pleasure in recommending a dividend of Re. 1.00 per share (10%) to all the shareholders whose names appear in the Register of Members as on 25th September, 2008. The dividend if approved by the shareholders, would absorb Rs. 19,93,675/-.

6. Fixed Deposits

The Company has accepted fixed deposits from the public during the year ended on 31st March 2008 and complied with the relevant provisions of the Companies Act, 1956.

7. Safety and pollution Control

The Company continues to give top priority to safety and pollution control aspects. It has strictly been following the requisite guidelines as received from Pollution Control Board from time to time.

8. Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

Information in accordance with the provisions of section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, regarding Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo is given in "Annexure A" forming part of this Report.

9. Particulars of Employees

The Company has no employees covered under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

10. Directors' Responsibility Statement

The Directors affirm (a) that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to

material departures; (b) that the directors had selected such accounting policies and applied them consistently and made judgements 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 the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and (d) that the directors have prepared the annual accounts on a going concern basis.

11. Directors

Mr.V.Dixit retires by rotation and being eligible offers himself for reappointment.

12. Auditors

Members are requested to appoint auditors for the current year. The retiring auditors M/s Bhattad Rathi & Co., Chartered Accountants, are eligible for reappointment. As required under section 224 of the Companies Act, 1956, certificate has been received from M/s Bhattad Rathi & Co., to the effect that their appointment, if made will be in accordance with the limits specified in section 224 (1B) of the Companies Act, 1956. As required under section 224 A of the Companies Act, 1956, a Special resolution is being placed for consideration of the members for their appointment.

13. Cost Audit

The Cost Audit of the Cost Accounts of the Company for the year ended on 31st March, 2008, is being carried out by M/S G.R.Paliwal & Co, Cost Accountants, Nagpur. They will be submitting their report on completion of the audit to the Company Law Board as required under the relevant rules.

14. Listing of Shares

The Equity Shares of the Company are listed on The Bombay Stock Exchange Limited, Mumbai. They are also dematerialised and made live in the CDSL NSDL systems. M/s Bigshare Services Private Limited have been appointed as the R&T Agent of the Company. Shareholders may contact them at "E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072" regarding transfer, dematerialization, etc. of shares.

15. Secretarial Compliance Certificate

Pursuant to section 383A of the Companies Act, 1956, a secretarial compliance certificate is furnished as "Annexure B" forming part of this Report.

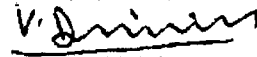
16. Acknowledgements

Your Directors express their gratitude to the Government of India, Government of Maharashtra, Bankers and Valued Customers for their continuing goodwill and support to the Company.

Your Directors wish to place on record their deep appreciation for the dedication and loyalty shown by the officers, staff members and workers of the Company. Your Directors sincerely acknowledge the continued trust and confidence you, the shareholders, have placed in the Company.

Nagpur
27th June, 2008

For and on behalf of the Board



V.Dixit
Chairman

ANNEXURE "A" TO THE DIRECTORS' REPORT

Information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 :

I. CONSERVATION OF ENERGY :

(a) Energy Conservation Measures taken : and

(b) Additional Investments and proposals for reduction of conservation of energy :

Cogeneration Plant at an estimated cost of Rs.2.50 crores had been installed in 2004.

(c) Impact of measures taken at (a) & (b) :

Overall savings in the cost of production by at least by five per cent

(d) Energy consumption in total and per unit of production in form "A".

FORM - A

Form for disclosure of particulars with respect to conservation of energy :

		2007-2008	2006-2007
(A) Power and Fuel Consumption			
1 Electricity			
a) Purchased Units	KWH	1988168	2513602
Total Cost	Rs.in Lacs	93.1	115.78
Rate / Unit	Rs./KWH	4.88	4.61
b) Own Generation	KWH	7274850	7772618
2 Coal			
(Grade B,C or ROM depending upon availability)			
Quantity	M.T.	1215	658
Total Cost	Rs.in Lacs	38.15	17.19
Average Rate	Rs./MT	2975	2612
3 Furnace Oil			
		NIL	NIL
4 Others / Internal Generation			
Rice Husk			
Quantity	M.T.	18808	21570
Total Cost	Rs.in Lacs	237.96	225.49
Average Rate	Rs./MT	1278	1045

(B) Consumption per unit of production - Paper (M.T.)

Particulars	Unit	2007-2008	2006-2007
Electricity	KWH	982	881
Furnace Oil	M.T.	NIL	NIL
Coal	M.T.	0.13	0.06
Rice Husk	M.T.	1.93	2.05

II. TECHNOLOGY ABSORPTION

a) Research & Development (R & D)

The Company has no separate R & D Department

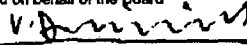
b) Absorption of Technology

The Company has not imported any technology

III. FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs.in Lacs)

	2007-2008	2006-2007
a) Foreign Exchange Earnings	52.39	38.14
b) Foreign Exchange Outgo	297.15	620.82

For and on behalf of the Board



V.DIXIT

Chairman

Nagpur
27th June 2008

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company: 11-019972
Nominal Capital: Rs. 3,00,00,000/-
Paid-up Capital: Rs. 1,99,36,750/-

To,
The Members
ELLORA PAPER MILLS LIMITED
Nagpur (M.S.)

I have examined the registers, records, books and papers of ELLORA PAPER MILLS LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2008 (financial year from 01.04.2007 to 31.03.2008). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies with additional fees in respect of delayed filing.
3. The Company being a public limited Company, comments are not required
4. The Board of Directors duly met 7 (Seven Times) respectively on 10.04.2007, 16.05.2007, 19.05.2007, 30.07.2007, 25.09.2007, 05.11.2007 and 31.01.2008 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members for the period of two days from 24.09.2007 to 25.09.2007 and has complied with the requirements of section 154 of the Act..
6. The annual general meeting for the financial year ended on 31st March, 2007 was held on 25.09.2007 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.



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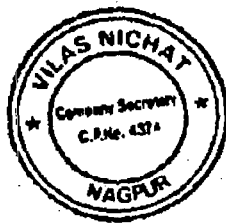
7. No extra-ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the financial year ended 31.03.2008.
9. The Company has complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer or transmission in accordance with the provisions of the Act during the financial year. However, there was no allotment of shares during the financial year.

(ii) The Company has deposited the amount of dividend in a separate bank account on 29.09.2007, which is within five days from the date of declaration of such dividend.

(iii) The Company paid/posted Cheques for dividend to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with State Bank of India, Hingna Industrial Estate Branch, Nagpur.

(iv) The Company was not required to transfer any amounts in Investor Education and Protection Fund as there were no outstanding balances in unpaid dividend account or application money due for refund or matured deposits or matured debentures and interest accrued thereon which have remained unclaimed or unpaid for the period of seven years.

(v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the re-appointment of Directors retiring by rotation have been duly made.
15. The Company has not appointed any Managing Director/ Whole Time Director during the financial year.



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16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under various provisions of the Act during the financial year ended 31.03.2008.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. As there were no outstanding preference shares or debentures, question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has accepted deposits falling within the purview of section 58A and 58AA of the Act read with Companies (Acceptance of Deposits) Rules, 1975 and complied with the relevant provisions except filing of documents.
24. The amount borrowed by the Company from the Directors, members, public, financial institutions, banks and others during the financial year ending 31.03.2008 is within the borrowing limits of the Company and that necessary resolutions as per section 293 (1)(d) of the Act have been passed in duly convened general meeting.
25. The Company has made loans and investments but has not given any guarantee or provided security to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.

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Dilip

(4)

30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has regularly deposited both employee's and employer's contribution to Provident Fund except the arrears of undisputed Provident Fund dues as at March 31, 2008, of Rs. 14,167/- are remaining unpaid. As such, the Company has not constituted any specific Fund / Trust for the said purpose and hence, the provisions of section 418 of the Act are not applicable.

Date: 27.06.2008
Place: Nagpur



Vilas Nichat
VILAS NICHAT
Company Secretary

Membership No. ACS- 11940 C.P. No. 4374

ANNEXURE 'A' TO SECRETARIAL COMPLIANCE CERTIFICATE

Registers as maintained by the Company

1. Register of Members under section 150 of the Act.
2. Copies of Annual Return under section 163 of the Act.
3. Minutes Book containing minutes of Board Meetings and General Meetings under section 193 of the Act.
4. Books of Accounts under section 209 of the Act.
5. Register of contracts / Companies and firms in which directors etc. are interested under section 301 of the Act.
6. Register of Directors, Managing Directors/Manager/Secretary under section 303 of the Act.
7. Register of Directors' Shareholdings under section 307 of the Act.
8. Register of investments or loans made, guarantee or security provided under section 372A of the Act.
9. Register of charges under section 143 of the Act
10. Fixed Assets Register
11. Register of Deposits under section 58A and Deposit Rules
12. Share Transfer Register

Apart from above, the Company has also maintained all the requisite statutory registers, books, returns, etc. to be kept or maintained by the Company in terms of various provisions of the Act/Rules. Nevertheless, there were no entries/transactions to be recorded therein during the financial year.

Date: 27.06.2008
Place: Nagpur



Vilas Nichat
VILAS NICHAT
Company Secretary

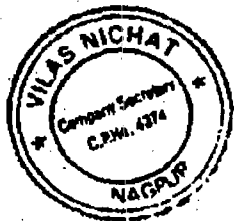
Membership No. ACS- 11940 C.P. No. 4374

ANNEXURE 'B' TO SECRETARIAL COMPLIANCE CERTIFICATE

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ending on 31st March, 2008: **With Registrar of Companies, Maharashtra**

1. Form 23AC with audited Balance Sheet in respect of financial year ended 31st March, 2007 attached thereto, approved and adopted at the Annual General Meeting held on 25.09.2007 due for filing on 24.10.2007 was duly e-filed under section 220 of the Act on 12.10.2007 vide SRN P10486066.
2. Form 23ACA with audited Profit & Loss Account in respect of financial year ended 31st March, 2007 attached thereto, approved and adopted at the Annual General Meeting held on 25.09.2007 due for filing on 24.10.2007 was duly e-filed under section 220 of the Act on 12.10.2007 vide SRN P10486066.
3. Form 66 with Secretarial Compliance Certificate in respect of financial year ended 31.03.2007 attached thereto, approved and adopted at an Annual General Meeting held on 25.09.2007 due for filing on 24.10.2007 was duly e-filed under proviso to section 383A of the Act read with Companies (Compliance Certificate) Rules, 2001 on 12.10.2007 vide SRN P10485761.
4. Form 20B with Annual Return in respect of the Annual General Meeting held on 25.09.2007, attached thereto due for filing on 23.11.2007 was duly e-filed under section 159 of the Act on 13.10.2007 vide SRN P10530798.
5. Form 20A dated 25.09.2007 regarding verified declaration of commencement of new business not germane to the existing business of the Company, due for filing on 24.10.2007 was duly e-filed under section 149(A) of the Act on 02.10.2007 vide SRN A23472335.
6. Form 23 dated 25.09.2007 regarding registration of special resolution due for filing on 24.10.2007 was duly e-filed under section 192 of the Act on 02.10.2007 vide SRN A23472541.
7. Form 62 dated 19.05.2007 with statement in lieu of advertisement attached thereto, was duly e-filed under Rule 4A of Companies (Acceptance of Deposits) Rules, 1975 on 31.08.2007 vide SRN A21227418.
7. Form 8 dated 10.01.2008 regarding registration of charge due for filing on 09.02.2008 was duly e-filed under section 125 of the Act on 29.01.2008 vide SRN A30784805.
8. Form 8 dated 24.10.2007 regarding registration of charge due for filing on 23.11.2007 was duly e-filed under section 125 of the Act on 15.12.2007 vide SRN A28024024.

Date: 27.06.2008
Place: Nagpur



Vilas Nichat
VILAS NICHAT
Company Secretary

Membership No. ACS- 11940 C.P. No. 4374

AUDITOR'S REPORT

TO THE MEMBERS OF ELLORA PAPER MILLS LIMITED

1. We have audited the attached Balance Sheet of ELLORA PAPER MILLS LIMITED, as at 31st March, 2008, and the related Profit And Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, of India and on the basis of such checks we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above:
 - a. We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose 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 such books.
 - c. The Balance Sheet, Profit And Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

- d. In our opinion, the Balance Sheet, Profit And Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the Directors as on March 31, 2008, and taken on record by the Board of Directors, we report that, prima facie, none of the Director's is disqualified as on 31st March, 2008, from being appointed as a Director in terms of Sec.274(1)(g) of the Companies Act, 1956..
- f. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the other notes on the accounts give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :-
- i. in the case of Balance Sheet, of the state of affairs of the company as at 31st March,2008;
 - ii. in the case of the Profit And Loss Account, of the net profit for the year ended on that date and
 - iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Nagpur,
27th June, 2008



For Bhattad Rathi & Co.
Chartered Accountants
R.R.
R.S. Bhattad
Partner

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of the Auditor's Report of even date to the members of Ellora Paper Mills Limited on the accounts for the year ended 31st March, 2008)

1. (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of one year, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such programme, a physical verification was carried out during the year and we were informed that no material discrepancies were noticed on such verification.
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory of the Company has been physically verified by the management during the year. In respect of inventory lying with third parties, these have been substantially confirmed by them. In our opinion the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material.
3. (a) The Company has not granted any interest free loans/advances repayable on demand to any firms in whom directors are interested as covered in the register maintained under section 301 of the Act. The Company has taken interest-bearing loans from directors, firms in whom directors are interested and relatives of directors as covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs.1,32,14,915/- and the year-end balance of such advances was Rs.76,87,911/-.

(b) According to the information and explanations given to us, and in our opinion, the terms and conditions on which loans and advances have been given to or taken from parties listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.

(c) The parties are regular in repaying the principal amounts.

(d) According to the information and explanations given to us, and in our opinion, reasonable steps have been taken by the Company for recovery of principal amounts.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination and information and according to the explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. (a) In our opinion and according to the information and explanations given to us, the transactions, that need to be entered into the Register maintained under Section 301 of Act, have been so entered.
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.
6. The Company has accepted deposits from the public and complied with the directives issued by the Reserve Bank of India and the provisions of Section 58 A and 58 AA of the Companies Act, 1956 and the Rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209 (1) (d) of the Act. We are of the opinion, that prima facie the prescribed accounts and records have been made and maintained.

We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.


9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable, have been regularly deposited by the Company during the year with the appropriate authorities.
 - (b) According to the information and explanations given to us, arrears of undisputed Provident Fund dues as at March 31, 2008, of Rs. 14,167/- are remaining unpaid.
 - (c) According to the information and explanations given to us, there are no dues in respect of sales tax, income tax, customs duty and cess, which, were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
10. The Company has neither accumulated losses as at March 31, 2008 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, in our opinion, the company has not defaulted in repayment of dues to any bank as at the balance sheet date.
 12. The Company has not granted any loans and advances on the basis of Security by way of pledge of shares, debentures and other securities.
 13. The Company is not a Chit Fund, nidhi, mutual benefit fund or a society. Accordingly clause 4(xiii) of the Order is not applicable.
 14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.
 15. The Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion, are prima facie prejudicial to the interest of the Company.

16. In our opinion and according to the information and explanations given to us and on an overall examination, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanation given to us, the Company has not raised any funds on short term basis. All assets have been funded by Shareholder's Funds.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
20. The Company has not raised any money by public issue during the year. Accordingly clause 4(xx) of the Order is not applicable.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Nagpur,
27th June, 2008



For Bhattad Rathi & Co.
Chartered Accountants


R.S. Bhattad
Partner

ELLORA PAPER MILLS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2008

		Total 31.03.2008 Rupees	As at 31.03.2007 Rupees
I SOURCES OF FUNDS			
1 Shareholders' Funds			
a. Share Capital	1	19936750	19936750
b. Reserves & Surplus	2	81524885	75358339
c. Sub Total (a+b)		101461635	95295089
2 Loan Funds			
a. Secured Loans	3	81327022	54902667
b. Unsecured Loans	4	30879224	27763094
c. Sub Total (a+b)		112206246	82665761
3 Total (1+2)		213667881	177960870
II APPLICATION OF FUNDS			
1 Fixed Assets	5		
a. Gross Block		290255251	228743933
b. Less : Depreciation		118108781	111252900
c. Net Block (a-b)		172146470	117491033
d. Add: Capital Work-in-Progress		2022650	1350198
e. Sub Total (c+d)		174169120	118841222
2 Investments	6	245289	233289
3 Current Assets, Loans and Advances			
a. Inventories	7	40678592	47739712
b. Sundry Debtors	8	61500402	57357944
c. Cash and Bank Balances	9	6122195	4688064
d. Loans and Advances	10	14862375	12745557
e. Sub Total (a+b+c+d)		123163564	122511277
Less : Current Liabilities and Provisions			
f. Liabilities	11	48067712	28138877
g. Provisions	12	12837198	13211608
h. Sub Total (f+g)		61004911	41350485
i. Net Current Assets (e-h)		62158653	81160792
4 Deferred Tax			
Deferred Tax Asset		3376777	3111502
Deferred Tax Liability		26280958	25385936
		-22905181	-22274433
5 Total (1+2+3+4)		213667881	177960870
Notes	17		0

As per our attached report of even date

For and on behalf of
Bhatnag Rathil & Co.
Chartered Accountants
R.S. Bhatnag
Partner

Nagpur
27th June 2008



C.P. Goenka
C.P. Goenka
Managing Director
Sudhir Goenka
Sudhir Goenka
Executive Director
Sreehari Chava
Sreehari Chava
Chief Executive

ELLORA PAPER MILLS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH 2008

		Year ended on 31.03.2008	Year ended on 31.03.2007
	Schedule	Rupees	Rupees
I INCOME			
a. Sales		375552359	368751749
b. Other Income	13	7689045	4202071
c. Increase/(Decrease) in W.I.P. & Finished Goods	14	2485826	7490854
d. Total (a+b+c)		365707330	380444474
II EXPENDITURE			
a. Manufacturing & Other Operational Expenses	15	350451700	339133457
b. Excise Duty		5760539	8878066
c. Interest & Other Finance Charges	16	8572142	7558826
d. Depreciation		8182427	8399930
e. Total (a+b+c+d)		373966808	357970279
III Profit (Loss)			
Profit (Loss) Before Taxation		11740522	22474195
Less : Provision for Taxation			
Current Tax [including tax for earlier Year Rs.867199/- (P.Y. Rs.176419)]		2367199	2000000
Provision for FBT		300000	400000
Deferred Tax Liability		630748	359619
Net Profit for the year		8442575	18714578
Add/(Deduct) : Prior period tax adjustments			176419
Add: Profit as per last account		70364001	55208372
Profit Available for Appropriation		78806576	75099367
IV Appropriation			
Proposed Dividend		1893875	2392410
Dividend Tax		282354	335536
Transfer to General Reserve		994052	2007420
Balance of Profit carried to Balance Sheet		75538485	70364001
Sub Total		78806576	75099367
Current Earnings Per Share; Basic & Diluted (Rupees)		4.22	9.86
Notes	17		

As per our attached report of even date

For and on behalf of

Bhattad Rathil & Co.
Chartered Accountants

R.S. Bhattad
Partner

Nagpur
27th June 2008



C.P. Goenka
C.P. Goenka
Managing Director

Sudhir Goenka
Sudhir Goenka
Executive Director

Sreshari Chava
Sreshari Chava
Chief Executive

ELLORA PAPER MILLS LIMITED

Schedules annexed to and forming part of the Balance Sheet

	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
Schedule 1		
SHARE CAPITAL		
Authorised		
28,00,000 Equity Shares of Rs. 10/- each	28000000	28000000
2,00,000 unclassified shares of Rs. 10/- each	2000000	2000000
	<u>30000000</u>	<u>30000000</u>
Issued and Subscribed		
2000000 Equity Shares of Rs. 10/- each fully paid-up	20000000	20000000
Less : In arrears (other than Directors)		
Allotment money	19625	
First & Final Call Money	43625	63250
Total	<u>19936750</u>	<u>19936750</u>
 Schedule 2		
RESERVES & SURPLUS		
a Investment Allowance Utilised Account	1046288	1046288
b General Reserve	4942102	3948050
b Surplus from Profit & Loss Account	75536495	70364001
c Total (a+b)	<u>81524885</u>	<u>75358339</u>
 Schedule 3		
SECURED LOANS		
A Term Loans from Scheduled Commercial Banks		
Term Loans from Scheduled Commercial Banks	27926948	5962287
(Secured by joint first charges on the immovable properties of the Company)		
	<u>27926948</u>	<u>5962287</u>
B Working Capital Limits		
Cash Credit arrangement from Scheduled Commercial Banks	52136016	47526532
(Secured by hypothecation of inventories & book debts of the Company)		
	<u>52136016</u>	<u>47526532</u>
C Other Loans		
(Secured by hypothecation of motor vehicles)	1264058	1413868
	<u>1264058</u>	<u>1413868</u>
D Total (A+B+C)	<u>81327022</u>	<u>54902687</u>

Note : The loans from banks are guaranteed by some of the directors.

Schedules annexed to and forming part of the Balance Sheet

**SCHEDULE 5
FIXED ASSETS**

Particulars of Assets	Gross Block At Cost *			As at 31.03.2008 Rupees	Depreciation Till 31.03.2008 Rupees	Net Block	
	As at 01.04.20007 Rupees	Additions Rupees	Deductions Rupees			As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
Land	1482937			1482937		1482937	1482937
Building	20382419	17639607		38022026	7460761	30561265	13664913
Plant & Machinery	161073155	45254171		206327326	92238762	114090564	74770351
Water Works Distribution System	2160660			2160660	2100143	60517	134608
Borewell	476915			476915	267864	209051	220054
Furniture, Fixture & Office Equipment	13562623	348296	2011802	11899117	7190825	4708292	5520244
Drawing Equipment	14695			14695	14554	141	172
Laboratory Equipment	267499	36929		304428	242351	62077	32040
Vehicles	9365430	1124763	880646	9609547	4692496	4917051	4572218
Workshop & Construction Machinery	427806			427806	379851	47955	55703
Co-Generation Power Plant	19529794			19529794	3523174	16006620	17037793
Total	228743933	64403766	2892448	290255251	118108781	172146470	117491033
Previous Year's Total	210308321	19124894	689282	228743933	111252900	117491033	106853164

* Except Plant & Machinery which is at Book Value

Schedules annexed to and forming part of the Balance Sheet

	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
Schedule 4		
UNSECURED LOANS		
LOANS & ADVANCES		
a. Interest free Sales Tax Loan from SICOM Limited	4346666	4102711
b. Sales Tax Deferral	16944842	13135360
c. From Others including Public Deposits	<u>9587716</u>	<u>10525023</u>
d. Total (a+b+c)	<u><u>30879224</u></u>	<u><u>27763094</u></u>
 Schedule 6		
INVESTMENTS (At cost)		
Unquoted		
National Saving Certificates	45000	45000
Quoted		
Shares & Stocks		
250 Shares of Hindalco Industries Ltd.	24000	12000
500 Shares of ITC Ltd	71388	71388
7 Shares of Reliance Capital Ventures	70	70
150 Shares of Reliance Communications	1500	1500
11 Shares of Reliance Energy	110	110
100 Shares of Reliance Energy	60979	60979
50 Shares of Reliance Industries Ltd.	40742	40742
150 Shares of Reliance Natural Resources	1500	1500
Total	<u><u>245289</u></u>	<u><u>233289</u></u>
Market Value of Quoted - Rs. 494873/-		
Previous Year - Rs 284590/-		
 Schedule 7		
INVENTORIES		
(As ascertained, valued and certified by Managing Director)		
a. Stores, Chemicals, Spare parts and Husk (At Cost)	8173290	8432024
Including in transit Rs NIL		
b. Raw Materials (at cost)	16982853	26271165
c. Finished Goods	9793697	7679542
(at cost or market value which ever is lower)		
(Including Rs 1030858/- with consignees, Previous year Rs 768101/-)		
d. Work-in-Process (At Cost)	<u>5728752</u>	<u>5356981</u>
e. Total (a+b+c+d)	<u><u>40678592</u></u>	<u><u>47739712</u></u>
 Schedule 8		
SUNDRY DEBTORS (Unsecured)		
a. Debts outstanding for a period exceeding six months considered good	1392641	1883386
b. Other Debts considered good	<u>60107761</u>	<u>55474558</u>
c. Total (a+b)	<u><u>61500402</u></u>	<u><u>57357944</u></u>

Schedules annexed to and forming part of the Balance Sheet

	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
Schedule 9		
CASH & BANK BALANCES		
a. Cash on Hand	348584	452399
b. Balances with Scheduled Banks in Current Accounts	2297611	2709665
c. Balances with Scheduled Banks, TDRs & Margin Money Deposits	3476000	1506000
d. Total (a+b+c)	<u>6122195</u>	<u>4668064</u>
Schedule 10		
LOANS & ADVANCES		
a. Advances against Capital Expenditure	0	638620
b. Advances recoverable in cash or in kind or for value to be received considered good	13039562	9866095
c. Sundry Deposits	1817019	2213388
d. Balance with Central Excise Authorities	5794	27454
e. Total (a+b+c+d)	<u>14862375</u>	<u>12745557</u>
Schedule 11		
CURRENT LIABILITIES		
a. Sundry Creditors	27292706	7600315
b. Current Liabilities	20479039	20258727
c. Other Liabilities	295967	279835
d. Total (a+b+c)	<u>48067712</u>	<u>28138877</u>
Schedule 12		
PROVISIONS		
a. Provision for Income Tax	1500000	2000000
b. Fringe Benefit Tax	300000	400000
c. Proposed Dividend	1993675	2392410
d. Dividend Tax	282354	335536
e. Gratuity Provision	8861170	8083662
e. Total (a+b+c+d+e)	<u>12937199</u>	<u>13211608</u>

Schedules annexed to and forming part of the Profit & Loss Account

	Year ended on 31.03.2008	Year ended on 31.03.2007
	Rupees	Rupees
Schedule 13		
OTHER INCOME		
a. Interest Received (Gross)	4943645	1062978
(Tax deducted at source Rs.509152/-, Previous year Rs.106646/-)		
b. Dividend Received	2238	23114
c. Miscellaneous Receipts	2213315	368072
d. Provisions no longer required	49890	738892
e. Sundry balances appropriated	87815	628143
f. Claims Received	173044	998212
g. Profit on sale of Assets / Investments	199098	382660
h. Total (a+b+c+d+e+f+g)	<u>7669045</u>	<u>4202071</u>

Schedule 14		
INCREASE/(DECREASE) IN FINISHED GOODS AND WORK IN PROCESS		
A Closing stock		
a. Finished goods	9793697	7679542
b. Work-in-Process	5728752	5356981
c. Sub Total (a+b)	<u>15522449</u>	<u>13036523</u>
B Opening stock		
a. Finished goods	7679542	3494721
b. Work-in-Process	5356981	2051148
c. Sub Total (a+b)	<u>13036523</u>	<u>5545869</u>
C Increase/(Decrease) (A-B)	<u>2485926</u>	<u>7490654</u>

Schedule 15		
MANUFACTURING AND OTHER OPERATIONAL EXPENSES		
Raw material consumed	252311839	232456810
Stores, Spares, Chemicals and Packing Materials Consumed	13225615	15052996
Power and Fuel	35292447	35844845
Conversion Charges	2349576	1353718
Payment to and Provision for Employees		
Salaries, Wages, Bonus, Gratuity & Allowances etc.	17967781	
Contribution to Provident Fund	1305151	
Welfare Expenses	<u>662182</u>	
	19935114	18923824
Rent	2028750	2027320
Rates and Taxes	703370	434895
Insurance	1096115	1861485

Schedules annexed to and forming part of the Profit & Loss Account

		Year ended on 31.03.2008	Year ended on 31.03.2007
		Rupees	Rupees
Repairs & Maintenance			
Buildings	13395		
Plant & Machinery	1118463		
Others	<u>973663</u>		
		2105521	6081710
Commission		3891293	2394097
Cash Discount		251043	676063
Freight & Forwarding Expenses		4541917	3522106
Legal & Professional Charges		1055133	1153804
Postage, Telegram & Telephone Expenses		823628	932831
Printing & Stationery		310916	300192
Travelling Expenses		1581241	1448343
Vehicle Expenses		1194929	1294847
Charity & Donation		19200	5000
Miscellaneous Expenses		4484239	4089199
Loss on Sale of Assets		0	55414
Sundry Balances Written off		16877	49519
Directors' Sitting Fees		10000	4000
Managing Director's Remuneration			
Remuneration	1500000		
Contribution to Provident Fund	180000		
Reimbursement of Medical Expenses / LTA	21712		
		1701712	1696292
Executive Director's Remuneration			
Remuneration	1200000		
Contribution to Provident Fund	144000		
Reimbursement of Medical Expenses / LTA	4725		
		1348725	1301647
Statutory Auditors' Remuneration		150000	150000
Cost Auditors' Remuneration		22500	22500
Total		<u>350451700</u>	<u>333133457</u>

Schedule 16

INTEREST AND OTHER FINANCE CHARGES

a. Interest on Fixed Loans		5335080	4739414
b. Other Interest		2408213	1915405
c. Bank Charges & Commission		<u>828849</u>	<u>904007</u>
d. Total (a+b+c)		<u>8572142</u>	<u>7558826</u>

	2007-08	2006-07
	Rupees	Rupees

SCHEDULE 17
NOTES FORMING PART OF THE ACCOUNTS

- | | | |
|---|-----------|-----------|
| 1. Contingent Liabilities not Provided for in respect of : | | |
| (i) Disputed demands of Income Tax Department | NIL | NIL |
| (ii) Claims against the Company not acknowledged as debts | 1,66,000 | 1,66,000 |
| (iii) Performance guarantees given by a Bank | 50,03,658 | 38,05,000 |
2. The incremental liability towards gratuity for the Accounting year as per actuarial valuation amounting to Rs.7,77,508/- has been provided in the current accounting year (Previous year Rs. 5,66,662/-).
 3. In the opinion of the Board of Directors, the Current Assets are approximately of the value as stated against them if realised in the ordinary course of business, unless otherwise stated. The Provision of depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.
 4. The balances of debtors/creditors and sundry deposits are as per Books of Account only.
 5. Excise duty in respect of goods manufactured by the Company and according to the method of accounting consistently followed, is accounted at the time of removal of goods from the factory for sale and captive consumption. Such excise duty liability as at 31st March, 2008 is estimated at Rs. NIL (Previous year Rs.NIL). This accounting practice, however, has no impact on the profit for the year.
 6. In view of the amendments to part I of Schedule VI of the Companies Act, 1956, vide notification No. GSR 719 (E) dated 10th November 2007, issued by the Ministry of Company Affairs (MCA) relating to Micro, Small and Medium Enterprises and considering the multiplicity and difficulty in identification of accounts of such undertakings, the information of determining the particulars in respect of indebtedness of such undertakings as on 31st March 2008 is not available. However, there are no specific claims from suppliers under the "Micro, Small & Medium Enterprises Development Act, 2006".
 7. Provision towards repayment of Interest free Sales Tax Loan, received from SICOM Limited has been made on the basis of Present Value @ 1.25 per cent per month.
 8. Sales include trading sales of Rs.1164.88 lakhs and the corresponding finished goods purchased during the year are included in Raw material consumed.

9 Details of Licenced Capacity etc. (per annum)

		2007-2008	2006-2007
Writing, Printing, Kraft and Packing Paper & News Print			
Licenced Capacity	M.T.	13200	13200
Installed Capacity	M.T.	11250	11250
(As Certified by the Management and accepted by the Auditors being a technical matter)			
Production	M.T.	9825	10533

10 Particulars of Sales & Stock

		2007-2008	2006-2007
Opening Stock of Finished Goods - Quantity	M.T.	293	237
Opening Stock of Finished Goods -Value	Rs.	7879542	3494721
Sales - Quantity	M.T.	9631	10477
Sales - values	Rs.	256807939	287954392
Closing Stock of Finished Goods - Quantity	M.T.	287	293
Closing Stock of Finished Goods -Value	Rs.	9793697	7879542

11 (i) Raw material Consumed

	2007-2008		2006-2007	
	Quantity	Amount	Quantity	Amount
	M.T	Rs.	M.T	Rs.
	13217	155234099	13844	147227860

(B) Percentage of Raw Material Consumed

	Value Rs.	%	Value Rs.	%
Imported	41311783	26.61	65648264	44.59
Indigenous	113922316	73.39	81579588	55.41
	<u>155234099</u>	<u>100.00</u>	<u>147227860</u>	<u>100.00</u>

	2007-2008	2006-2007
(iii) C.I.F. Value of Imports	Rs.	Rs.
Raw Materials	29649911	61916421
(iv) Expenditure in Foreign Currency		
Travelling	65482	165437
(v) Earnings in Foreign Exchange	5238545	3814092

12 Previous year's figures have been regrouped and recast wherever necessary.

13 Significant Accounting Policies followed by the Company are disclosed in the statement annexed to this schedule.

Signature to Schedules 1 to 17

As per our attached report of even date

For and on behalf of

Bhattad Rathl & Co.
Chartered Accountants

R.S. Bhattad
Partner

Nagpur
27th June 2008



C.P. Goenka
C.P. Goenka
Managing Director
Sudhir Goenka
Sudhir Goenka
Executive Director
Sreehari Chava
Sreehari Chava
Chief Executive

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. RECOGNITION OF INCOME AND EXPENDITURE

The Company generally follows the mercantile system of Accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

2. SALES

Sales are invoiced on the despatch of goods to the Customers. Sales include Excise Duty and exclude Sales Tax.

3. FIXED ASSETS

(i) Fixed Assets (other than land) are stated at cost less accumulated depreciation. Plant & Machinery are stated at book value.

(ii) The carrying amounts are reviewed at each balance sheet date when required to assess whether they are required to be recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

4. DEPRECIATION ON FIXED ASSETS

(i) The Company's practice is to provide the depreciation of Building, Plant & Machinery and Water Works Distribution System added prior to 2nd April, 1987 on Straight Line Method pursuant to circular No.1.1/1986-CLV No.14(50) 84 L.L.VI dated 21st May, 1986 issued by the Department of Company Affairs and in accordance with the Provisions of Section 205(2) (b) of the Companies Act, 1956 at the rates corresponding to the rates applicable under Income Tax Rules in force from time to time.

(ii) On all the additions made after 1st April 1987 towards Building, Plant & Machinery and Water Distribution System, the depreciation is provided on Straight Line Method as per the rates specified, and in the manner specified in Schedule XIV of the Companies Act, 1956. Pursuant to revision in the rates vide notification No.GSR 756 (E) dated 16.12.93 issued by the Ministry of Law, Justice and Company affairs depreciation has been calculated at revised rates on all additions made after the said date.

- (iii) On remaining assets, the depreciation is provided on Written Down Value method as per the rates specified and in the manner specified in Schedule XIV of the Companies Act, 1956.

5. INVESTMENT

Investments are stated at cost of acquisition.

6. VALUATION OF INVENTORIES

- (i) Raw material, stores & spare parts, chemicals, coal and rice husk are stated at cost of acquisition (including freight etc.) or market value whichever is lower.
(ii) Finished Goods are valued at cost or market value whichever is lower.
(iii) Work in Process is stated at cost.

7. EMPLOYEE RETIREMENT BENEFITS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is unfunded.

The following table summarises the components of net benefit expense recognized in the profit and loss account and the amounts recognized in the balance sheet.

Profit and Loss account

	Gratuity 2008
Current Service Cost	455578
Interest cost on Defined benefit obligation	670820
Expected Return on Plan Assets	0
Net Actuarial Losses/(gains) recognized in the Year	(60118)
Actual Return on Plan Assets	0

Balance Sheet

	Gratuity 2008
Present value of Unfunded obligations	8861170
Unrecognised past service cost	0
Net Liability	8861170
Amounts in Balance Sheet	
Liability	8861170
Assets	0
Net Liability	8861170

Changes in defined benefit obligation are as follows :

	Gratuity 2008
Opening Defined Benefit Obligation	8083662
Current Service Cost	455578
Interest Cost	670820
Actuarial Losses/(Gain)	(60118)
Past Service Coat	0
Actuarial Losses/(Gain) due to Curtailment	0
Liabilities Extinguished on Settlement	0
Liabilities Assumed on Acquisition/(Settled on Divestiture)	0
Exchange Difference on Foreign Plans	0
Benefits Paid	(288772)
Closing Defined Benefit Obligation	8861170

Change in Fair Value of Assets

Opening Fair Value of Plan Assets	0
Expected Return on Plan Assets	0
Actuarial Gain/(Losses)	0
Assets Distributed on Settlements	0
Contributions by Employer	288772
Assets Acquired on Acquisition/(Distributed on Divestiture)	0
Exchange Difference on Foreign Plans	0
Benefits Paid	(288772)
Closing Fair Value of Plan Assets	
Expected Employer's Contribution Next Year	575327

The major categories of Plan assets as a percentage of the fair value of total plan assets are as follows :

	Gratuity 2008
Investments	%
-With Insurer	0
-With Government Securities and Bonds	0
-With Special Deposit Scheme	0

The Principal assumptions used in determining gratuity obligations for the Company's plan are shown below :

	2008 %
Discount Rate	7.96
Expected Rate of Return on Assets	0
Employee Turnover Non Management	
21 - 44	2
45 - 59	1

The current year being the first year of adoption of Accounting Standards - 15 (Revised 2005) by the Company, the Previous Year's comparative information has not been furnished.

8. ACCOUNTING OF MODVAT CREDIT

Modvat credit is accounted only when utilised for clearance of excisable goods during the year.

9. FOREIGN EXCHANGE TRANSACTIONS

The transactions of foreign exchange are recorded at the exchange rate prevailing on the date of the transaction.

10. LEASE RENT

In respect of leased assets acquired prior to 01.04.2001, rental and all other expenses are treated as revenue expenses. The Company has not taken / given any asset on lease on or after 01.04.2001.

11. TAXATION

(a) Current Tax is determined as the amount of tax payable with respect to the taxable income for the current year.

(b) Deferred Tax, with respect to deferred tax assets / liabilities, is recognized at the current rate of tax, on the basis of timing differences between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.

(c) Major components of deferred tax assets / (liability) are as follows.

Item	2007-08 (Rupees)	2006-07 (Rupees)
Depreciation	(8,95,023)	(5,46,617)
Gratuity	2,64,275	1,86,998
Total	(6,30,748)	(3,59,619)

(d) Provision for Fringe Benefit Tax for the year has been determined in accordance with the provisions of Section 115 WC of the Income Tax Act., 1961.

12. BORROWING COSTS

Interest and other borrowing costs on specific borrowings relating to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

13. SEGMENT REPORTING

The Company operates in two segments, viz. Manufacturing of Paper and Rice Milling. The Company has chosen these business segments as its primary segments considering the dominant source and nature of risks and returns and the internal organization and management structure.

Particulars	Paper		Rice Milling		Total	
	2008	2007	2008	2007	2008	2007
Revenue						
External Turnover	37,52,95,687	36,87,51,749	2,56,672	-	37,55,52,359	36,87,51,749
Other Income	-	-	-	-	-	-
Result	1,22,97,206	2,58,30,950	3,46,413	-	1,26,43,619	2,58,30,950
Unallocated Corporate expenses						
Operating Profit	1,22,97,206	2,58,30,950	3,46,413	-	1,26,43,619	2,58,30,950
Interest & Finance Charges					85,72,142	75,58,826
Prior Period items						1,76,419
Interest & Dividend income					49,45,883	10,86,092
Miscellaneous Income					27,23,162	31,15,979
Income Taxes					32,97,947	27,59,619
Net Profit	80,54,812	1,98,90,985	3,87,763	-	84,42,575	1,98,90,985
Other Information						
Segment Assets	25,05,37,827	23,98,51,688	7,03,87,377	-	32,09,25,204	23,98,51,688
Unallocated corporate assets		4,845,602		-	44,70,921	48,45,602
Total assets		24,46,97,290		-	32,53,96,125	24,46,97,290
Segment Liabilities	4,47,97,132	2,81,36,877	1,21,31,750	-	5,69,28,882	2,81,36,877
Unallocated corporate liabilities		3,85,97,543		-	3,03,56,987	3,85,97,543
Total Liabilities		6,67,36,420		-	8,72,85,869	6,67,36,420
Capital Expenditure						
Depreciation	82,08,417	83,99,930	9,74,010	-	91,82,427	83,99,930
Non cash expenses other than depreciation and amortization						

B. INFORMATION ABOUT SECONDARY SEGMENTS

Revenue as per Geographical Markets

	2008	2007
India	37,03,13,814	36,49,37,657
Outside India	5,238,545	3,814,092
Total	375,552,359	368,751,749

14. EARNING PER SHARE

		2008	2007
a)	Weighted average number of Equity Shares of Rs 10/- each outstanding during the year	2000000	2000000
b)	Net Profit after tax attributable to Equity shareholders	8442575	19714576
c)	Basic and Diluted Earnings per share (in Rs.)	4.22	9.86

15. RELATED PARTY INFORMATION**(i) Relationships****(a) Key Management Personnel**

Shri C.P.Goenka, Managing Director

Shri Sudhir Goenka, Executive Director

(b) Relatives & enterprises of key management personnel where transactions have taken place

Smt.Kusum Goenka

Smt.Archana Goenka

Smt. Savitri Devi Goenka

Shri Ashok Dalmia

Ashok Dalmia HUF

Shri Parikshit Dalmia

Sudhir Goenka HUF

Ms.Twisha Goenka

Ms.Megha Goenka

Shri.Shashank Goenka

(c) Enterprises where control exists

Ellora Plantations Limited

(ii) Transactions with Related Parties

(Figures in rupees)

Particulars	Related Parties		
	Referred in (i)(a) above	Referred in (i)(b) above	Referred in (i)(c) above
Expenses			
Rent		16,20,000	
Remuneration & perks	24,50,437		
Pollution Prevention Exp			3,00,000
Finance & Investments			
Loans Given / Repaid	13,96,000	73,35,000	
Money Received	9,95,546	66,75,000	

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO
THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No. : 19972 State Code 11

Balance Sheet Date : 31.03.2008

II Capital raised during the year (Rs. in Thousands)

Public Issue : NIL
Right Issue : NIL

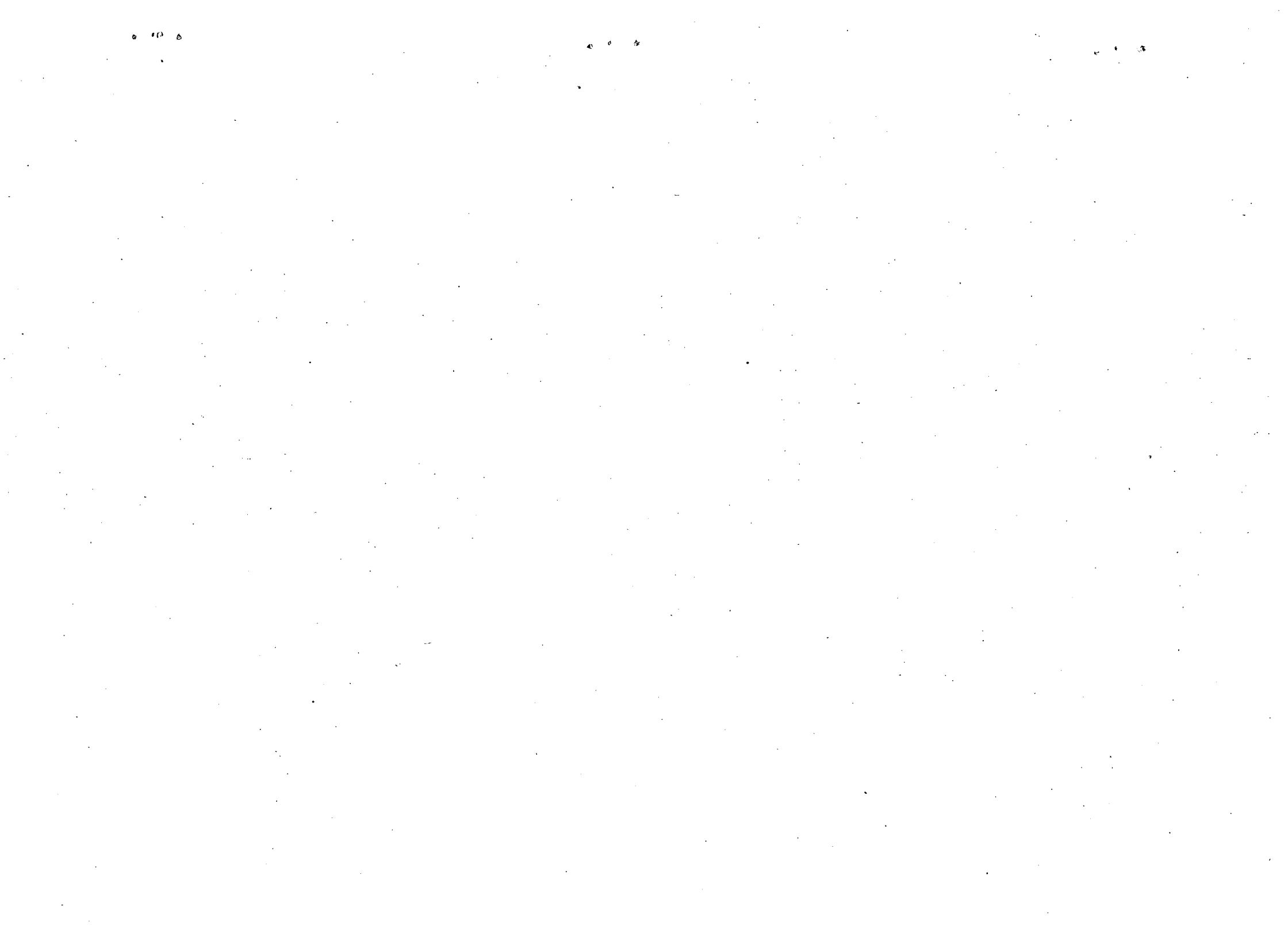
Bonus Issue : NIL Private Placement : NIL

III Position of Mobilisation and Deployment of Funds (Rs in Thousands)

Total Liabilities	Total Assets
213668	213668
Sources of Funds :	
Paid-up Capital	Reserves & Surplus
19937	81525
Secured Loans	Unsecured Loans
81327	30879
Application of Funds :	
Net Fixed Assets	Investments
174169	245
Net Current Assets	Deferred Tax
62159	(22905)
Accumulated Losses	
0	

IV. Performance of Company (Rs. in Thousands)

Turnover	Total Expenditure
375552	373967



Profit/(-) Loss Before Tax
11741

Profit/(-) After Tax
8443

Earning Per Share in Rs.
4.22

Dividend Rate (%)
10%

V. Generic Name of Three Principal Products/Services of Company (as per monetary terms)

1. Item Code No. (ITC Code)	Product Description
4802 00	WRITING & PRINTING PAPER
2. Item Code No.(ITC Code)	Product Description
480100 09	NEWS PRINT PAPER
3. Item Code No.(ITC Code)	Product Description
4802 90	KRAFT PAPER/MILL WRAPPER

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	For the Year ended 31.03.2008		For the Year ended 31.03.2007	
	(Rs.in Lacs)	(Rs.in Lacs)	(Rs.in Lacs)	(Rs.in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS		117.41		224.74
Adjustment for:				
Depreciation	91.82		84.00	
Interest	77.43		66.54	
Depreciation relating to assets sold	5.66		-6.02	
		174.91		144.52
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		292.32		369.26
Adjustment for:				
Trade and Other Receivables	(62.59)		60.82	
Inventories	70.61		(231.44)	
Trade Payables	199.29		73.57	
		207.31		(97.05)
CASH GENERATED FROM OPERATIONS		499.63		272.21
Interest Paid		(74.99)		(63.06)
Tax Paid		(50.70)		(27.36)
Dividend Paid		(23.92)		(23.92)
Cash flow before Extraordinary Items		370.02		157.85
Extraordinary Items				(1.76)
NET CASH FROM OPERATING ACTIVITIES (A)		370.02		156.09
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of Fixed Assets	(650.76)		(170.14)	
Purchases of Investments	(0.12)		18.17	
NET CASH FROM INVESTING ACTIVITIES (B)		(650.88)		(151.97)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) in borrowings		295.40		19.96
NET CASH USED IN FINANCING ACTIVITIES (C)		295.40		19.96
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		14.54		24.08
Opening Balance		46.68		22.8
Closing Balance		61.22		46.88

Notes :

- Cash flow statement has been prepared following the indirect method except in case of interest paid/received which have been considered on the basis of actual movements of cash with necessary adjustments in the corresponding assets and liabilities.
- Purchases of fixed assets include movements of capital work in progress between the beginning and the end of the year.
- Cash and Cash equivalents consist of cash in hand and balances with banks.

Nagpur
27th June 2008

Auditor's Certificate

The Board of Directors
ELLORA PAPER MILLS LIMITED, Nagpur

We have examined the above Cash Flow Statement of M/s. Ellora Paper Mills Limited, for the year ended on 31st March, 2008. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 27th June, 2008 to the members of the Company

Nagpur
27th June 2008



For and on behalf of

Bhattad Rathi & Co.
Chartered Accountants
B.S. Bhattad
Partner

C.P. Goenka
C.P. Goenka
Managing Director
Sudhir Goenka
Sudhir Goenka
Executive Director
Chachar
Sreeshari Chava
Chief Executive

ELLORA PAPER MILLS LIMITED

379, Pandit Jawaharlal Nehru Marg, Sitabuldi, Nagpur – 440 012

PROXY FORM

Regd. Folio No. : _____ Number of Shares _____

I/We _____
_____ of _____ being a
member / members of **ELLORA PAPER MILLS LIMITED** hereby appoint
_____ of _____ or failing him / her
_____ of _____ as my / our Proxy
to attend and vote for me / us and on my / our behalf at the 33rd Annual General
Meeting of the Company to be held on Thursday, the 25th September 2008 and at
any adjournment thereof.

As WITNESS my hand / our hand this _____ day of _____ 2008

Signed by the said _____

NOTE : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours
before the time of holding the meeting.

Revenue
Stamp
Re. 1/-

ELLORA PAPER MILLS LIMITED

379, Pandit Jawaharlal Nehru Marg, Sitabuldi, Nagpur – 440 012

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT
THE ENTERANCE TO THE HALL

I/We hereby record my/our presence at the 33rd Annual General Meeting held at
379, Pandit Jawaharlal Nehru Marg, Sitabuldi, Nagpur – 440 012 on Thursday, the
25th September 2008 at 3 p.m.

Regd. Folio No.	Name and Address of the Shareholder/s	Signature
		1
		2
		3
		4

Name(s) of the Member(s) or Proxy / Proxies in BLOCK letters _____

Signature of the attending Member / Proxy

NOTE : Share holders /Proxy holders desiring to attend the meeting should bring copy of the Annual
Report for reference at the Meeting.

SHARE TRANSFERS

In compliance of SEBI Regulations of a Common Agency for Share Transfer work in terms of both physical and electronic connectivity, the Company has appointed a common Registrar and Share Transfer Agent for physical transfer and dematerialised as per particulars given below:

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

INDUSTRIAL RELATIONS

During the year the relationship with the employees remained cordial and the Board wishes to place on record its appreciation for the unstinted support and contribution by them at all levels.

OTHER INFORMATION

There are no employees covered by Section 217(2) A of the Companies Act 1956.

Clause 41 of the Listing Agreement (Variation if any, between four quarters aggregating results with that of audited)

Rupees						
Sl No	Item	Aggregate of 4 quarters un-audited results for the year 08	Audited results for the year ended 31.3.2008	Difference	%	Reason
1	Raw materials	2806260	1896723	909537	-32.41	Better capacity utilization
2	Employees cost	1080497	754720	325777	-30.45	Had been accounted on accrual basis. Before finalization of audit, retrenchment benefits were settled and only actual expenditure of employees' cost booked.
3	Other expenditure	12529104	4040572	8488532	67.75	Interest had been booked on accrual basis. However, financial institutions have been not charged interest consequent to loans have classified as Non-Performing Accounts.

ACKNOWLEDGMENT

The Directors place on record their sincere gratitude to IDBI, SIPCOT, TIIC, Bank of India, and various departments of State and Central Governments, Vendors and Trade suppliers. Your Directors also thank the valued customers of the Company for their continued patronage. Your Directors take this opportunity to express their appreciation to the Executives, Officers, Staff and Workers at all levels for their service. The Directors gratefully acknowledge the support extended by the shareholders.

For and On behalf of the Board of Directors

Place: Bangalore

Date: 1.9.2008

Nanik G Rohera
Chairman

PAN ELECTRONICS (INDIA) LIMITED

ANNEXURE TO DIRECTORS REPORT

PARTICULARS AS PER COMPANIES (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) RULES 1988.

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 of accounts.
I	RESEARCH & DEVELOPMENT	
1.	Specific area in which R & D carried out by the Company	The Company has established R&D Section to improve the quality of metallization, etc.
2	Benefits derived as a result of the above R & D	Company has produced superior quality metallised film for various applications
3	Future plan of action	The Company would like to pursue its R & D efforts with an objective to improve the quality 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

BY ORDER OF THE BOARD OF DIRECTORS

PLACE: Bangalore

DATE: 01.09.2008

NANIK G ROHERA
CHAIRMAN

Report on Corporate Governance as on 31st March 2008

Sl No	Particulars	Yes / No			
1	Brief statement on Company's philosophy on code of governance	The Company follows a system of sound human values, creditability in matters of commercial transactions and fair view and approach in all operations			
2	Board of Directors				
a	Composition and Category of Directors i.e break up of Directors in to the Following				
i	Executive	2 Members .			
ii	Non-Executive	3			
iii	Independent non-executive	3			
iv	Nominee Director	NIL			
v	Institutional Director-in which capacity - Lender or Shareholder Whether: Non-executive directors-minimum 50% of total Directors	NIL			
	No.of independent Directors	Three			
	If Chairman is executive - 1/2 of the board	More than half of the Board is not executive			
	If Chairman is non-executive - 1/3 of the board	Not applicable			
B	Disclose whether Chairman is Executive / Non Executive	Yes. Chairman is Executive			
C	Attendance of each director at the time of Directors meeting and last AGM				
Name	Category	Date of AGM	Num of Board Meetings	Num of other Directorship	Num of other Committee Membership
		28.9.07		In Public Co.s	
Nanik Rohera	Chairman Non-Independent	Present	4	Nil	Nil
Nitesh Rohera	Managing Director, Non-Independent	Present	4	Nil	2
B K Banerjee	Non—Executive, Independent	Present	4	Nil	1
H N Tarachandani	Non-Executive Independent	Present	3		2
G. Nagaraju	Non-Executive Independent	-	3	Nil	2
Brief resume of retiring Director : Shri H N Tarachandani is an Independent Director and has been on the Board for 10 years. He was formerly General Manager of Banking Operations, Reserve Bank of India, Bangalore. His continuation of appointment is of immense help to the Management. Shri Nitesh Rohera is Promoter & Managing Director and is technically to be reappointed.					
	Whether gap between any two consecutive Board Meetings is not greater than 4 months	There is no gap of more than four months between any consecutive meeting			
	Minimum four meetings in a year are held	Yes			

3	AUDIT COMMITTEE	
	<p>The Board constituted Audit Committee. The terms of the reference of the Audit Committee broadly are as under:</p> <p>To hold period discussions with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit & observation of the Auditors.</p> <p>To review compliance with internal control systems.</p> <p>To review the quarterly, half yearly and annual financial results of the Company before submission to the Board</p> <p>To make recommendations to the Board on any matter relating to financial management of the Company including audit report.</p> <p>Recommending the statutory auditors.</p> <p>Others (as covered in Clause 49 (II) (D) of the listing agreement)</p>	
	i	<p>Composition, name of members and Chairperson</p> <p>3 Independent Directors 1. Shri H N Tarachandani - Chairman 2. Shri B K Banerjee - Member 3. Shri G. Nagaraju Member All the Directors have financial accounting knowledge and are non executive and independent.</p>
	ii	<p>No. of meetings and attendance during the year</p> <p>Four on 28.04.07, 28.07.07, 24.10.07 & 25.01.08 Shri B K Banerjee – 4 Meetings Present Shri H N Tarachandani- 3 Meetings Present Shri G Nagaraju– 3 Meetings Present</p>
	iii	<p>Brief description of terms of reference: Scrutiny of process of financial reporting and disclosure of information, Appointment of Auditors and their remuneration and other expenses for services, Review of annual financial statements before submission to the Board regarding changes in accounting policies, qualification in audit report and adjustments arising out of audit, compliance of accounting standards, stock exchange, legal and financial statements.</p>
4	REMUNERATION COMMITTEE: As the Company is sustaining loss, the Chairman, or Managing Director draws no remuneration.	
	I Brief description of terms of reference	
	ii	<p>Composition, name of members and Chairperson</p> <p>Shri G. Nagaraju – Chairman Shri H. N Tarachandani – Member</p>
	iii	Attendance during the year
	iv	<p>Remuneration policy</p> <p>The Company adhered to provisions of Schedule XIII of the Companies Act, 1956, while fixing the remuneration package to its Managing Director. The compensation to Non-Executive Directors is as decided by the Remuneration Committee and ratified by the Board / General Body.</p>
SI No	Particulars	Yes / No
	v	Details of remuneration to all Directors as per the format listing out the following:
		Salary
		Benefits
		Bonus
		Stock Options
		Pension
		Others
		Break up of fixed components and performance linked incentives
		With performance criteria
		Service Contract - Notice period, severance fees
		Stock options details (if any)
		Whether issued at discount
		Period over which it is accrued and is exercisable

5	General Body Meetings		
	I	Location & time where last 3 AGMs were held Badami Party Hall, J P Nagar, Bangalore 2007 Hotel Abhishek, Kumara Krupa Road, Bangalore 2006 Hotel Ballal Residency Bangalore 2005	Bangalore 03.30 pm Bangalore 03.30 pm Bangalore 03.30 pm
	ii	Whether special resolutions were put through postal ballot last year, details of voting pattern	NA
	iii	Persons who conducted the postal ballot exercise	N.A
	iv	Procedure for postal ballot	N.A
6	Disclosures		
	i	Disclosures on materially significant related party transactions i.e. transaction of the company of material nature, with its promoters, directors or management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large	Nil
	ii	Details of non compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last 3 years	Nil
Sl No	Particulars		Yes / No
7	Means of Communication		
	I	Half yearly report sent to each shareholders residence	No
	ii	In which newspapers quarterly results were normally published	-
	iii	Any Website where results or official news are displayed	No
	iv	The presentation made to institutional investors or to the analysts	Nil
	v	Whether Management Discussion & Analysis is part of Annual Report or not	Yes
8	General Shareholder information		
	i	AGM Date, time and venue	24.09.2008, at 3.30 pm at Ashirwad Party Hall, JP Nagar, Bangalore
	ii	Financial year	31 st March 2008
	iii	Book Closure	18.9.2008 to 24.9 2008
	iv	Dividend payment date	Dividend not declared
	v	Listing on Stock Exchange	Bangalore & Mumbai
	vi	Stock Code	517397 Z Category
	vii	Market price data – High/Low during each month of the financial year	
		Month	High (Rs.) Low (Rs.)
		April 2007	- -
		May 2007	- -
		June 2007	- -
		July 2007	- -
		August 2007	- -
		September 2007	- -
		October 2007	- -
		November 2007	- -
		December 2007	- -
		January 2008	8.50 5.80
		February 2008	8.25 7.70
		March 2008	8.20 8.20

Note: There was no trading during April 2007 to December 2007

9. Shareholding pattern as on 31st March 2008.

Sl No	Category	Pre allotment of equity shares	
		Number of equity shares	Percentage
A	Promoter & Promoter Group		
	1. Indian Individuals	1908820	47.72
	2. Foreign	-	-
	Non Residential individuals Bodies Corporate	240600	6.02
B	PUBLIC SHARE HOLDING	-	-
	Institutions	3200	0.08
	Mutual Funds	-	-
	Financial Institutions / Banks	-	-
	Foreign Institutional Investors	-	-
	Non Institutions	-	-
	Bodies Corporate	-	-
	Individuals		
	1. Individual share holders holding nominal Share capital upto Rs.1,00,000/-	846280	21.15
	2. Individual share holders holding nominal capital in excess of Rs.1,00,000	979600	24.49
	Any other (NRI / OCB)	21500	0.54-
	TOTAL	4000000	100

	ix	Share Transfer System	Share transfer in physical form can be lodged with the Share Transfer Agents. The transfer is normally processed within the stipulated time from the date of receipt if the documents are complete in all respects. The Share Transfer Committee of the board approves the transfers. Insider trading norms are adhered to and reported to the Stock exchanges upon information from the concerned.
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10. DISTRIBUTION OF SHAREHOLDING

No. of share holders	% of total	Shareholding of nominal of Rs.10/-		No. of shares	Amount Rs.	% of total
2388	86.40		Up to 5,000	417275	4172750	10.43
217	8.02	5,001	10,000	188200	1882000	4.71
84	3.10	10,001	20,000	121355	1213550	3.03
27	1.00	20,001	30,000	69850	698500	1.75
13	0.48	30,001	40,000	46100	461000	1.15
3	0.11	40,001	50,000	14900	149000	0.37
11	0.41	50,001	1,00,000	81400	814000	2.04
13	0.48	1,00,001	& above	3060920	30609200	76.52
2,706	100.00	Total		40,00,000	4,00,00,000	100.00
	xi	Dematerialisation of shares and liquidity		Shares in physical form can be dematerialized and dealt on NSDL.		
	xii	Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity		Nil		
	xiii	Plant location		83 SIPCOT Complex, Hosur, TN, India		
	xiv	Address for correspondence		69 III Cross, Cubbonpet, Bangalore 560 002		
9	i	Compliance Certificate from Auditors of the Company		YES		
	ii	Any Qualification in Auditor's Report		YES		

Affirmation of Compliance with the Code of business conduct of directors and Senior Executives

I, Nanik G Rohera, Chairman of the Company declare that the Company has received affirmation of compliance with the "Code of Business Conduct of Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management Personnel of the Company, to whom the same is applicable, for the financial year ended 31st March 2008.

Place :Bangalore
Date 01.09.2008

Sd/-

Nanik G Rohera
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A	Industry structure and developments	Electronic Metallised Polypropylene and Polyester film industry is well organised in India. Your Company is one of the 5 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 continued reduction in margins and fluctuations in export 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	The outlet & future plans	The Company is in negotiation with the Financial Institutions for an one time settlement of dues. Its conclusion will enable the Company to look forward towards growth oriented future.
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 partly due to its operational performance and partly due to the increasing interest burden. Settlement of OTS proposal will benefit.
H	Material development in human resources / industrial relations front, including number of people employed	The Company continues to give thrust for human resource development and industrial relations. The Company effected reduction, maximum of its employees during the year, by paying suitable compensation as per Law.

CAUTIONARY STATEMENT:

Statements in this "Management Discussion and Analysis" contain forward looking statements which may be identified by the use of words in that direction 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 on the basis of any subsequent development, information or events.

AUDITOR'S REPORT ON CORPORATE GOVERNANCE TO THE MEMBERS OF PAN ELECTRONICS (INDIA) LIMITED.

CIN: U00309KA1982PTC004960

Nominal Capital: Rs. 4.00 CRORES

We have examined the compliance of conditions of corporate governance by the Company for the year ended 31st March 2008 as stipulated in clause 49 of the Listing Agreement with stock exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has taken reasonable steps to ensure implementation of the conditions of Corporate Governance, as stipulated under Clause 49 of the listing agreements.

sd/-

PLACE: Bangalore
DATE : 01.09.2008

W.A.P. THIRTHUVADOSS
CHARTERED ACCOUNTANT

AUDITORS' REPORT

TO THE MEMBERS OF PAN ELECTRONICS (INDIA) LIMITED

We have audited the attached Balance Sheet of PAN Electronics (India) Limited as at 31st March 2008, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We report that:

- I. a) We have obtained all the information and explanations, which to the best of our knowledge and belief where necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 (the Act);
- e) On the basis of written representations received from the Directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the Directors, are disqualified as on 31st March 2008 from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to
 - *Note (3) of Schedule 21-II regarding non-obtainment of confirmations in respect of certain balances appearing under Secured Loans, Loans and Advances (Except wholly owned subsidiaries and related Parties), Sundry Debtors and Sundry Creditors, the impact of which not being quantifiable;*
 - *Note(3) of Schedule 21-II regarding non-provision of penal interest and liquidated damages the impact of which is not quantifiable as the Company has not obtained the year-end confirmation of balances.*

- *Non-creation of provisions for doubtful advances in respect of advances disclosed vide note III (13) of schedule 21 amounting to Rs 714.30* lakhs consequent to the negative net worth of the Subsidiary Companies to which the amounts have been advanced;*
- *Non provision towards guarantee of Rs. 770.00 lakhs given to IDBI securing due repayment of 18% NCD issued, in favour of IDBI by Venlon Metallising Pvt Ltd (a wholly owned subsidiary company);*
- *Non provision towards guarantee of Rs.100 lakhs given to Canara Bank, Mysore securing due repayment of term loan obtained by Dev Power Corporation, Mysore;*
- *Non obtainment of permission of IDBI in respect of shares of Venlon Metallising Private Limited and Venlon Metacoat Private Limited acquired by the company from the erstwhile share holders.*

and read with other Accounting Policies and notes, give the information required by the Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, the state of affairs of the Company as at 31st March 2008;
 - ii) In the case of the Profit and Loss Account of the loss for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) order 2004 issued by the Central Government of India in terms of sub section 227 of the Companies Act, 1956 we further report that:
- 1a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are unable to comment on the discrepancies if any, as all the assets have not been physically verified as aforesaid.
 - c) The property belonging to Company was auctioned by THIC to recover their dues relating to advances made to Company and its wholly owned Subsidiary Viz Venlon Metacoat Pvt Ltd, Rs.89.83 lakhs. The going concern concept is not affected.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification when compared to the book records.

3. i) The company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - ii) The company has granted advance, in the nature of unsecured loans to two wholly owned subsidiary companies, covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year Rs 758.08 lakhs and the year-end balance of such loans aggregate to Rs 714.30 lakhs.
 - 3(ii) a) No interest has been charged and terms and conditions for the advances have not been specified and we are of the opinion that the said advances are *prima-facie* prejudicial to the interest of the company.
 - b) In the absence of terms and conditions relating to the repayment / payment of principal and interest we are unable to comment on the regularity of the repayment/payment of principal and interest respectively.
 - c) In the absence of terms and conditions relating to the repayment / payment of principal and interest, we are unable to state the over due amount and to comment upon the reasonability of the steps taken / to be taken by the company for the recovery / payment of principal and interest respectively.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and service. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
 5. a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding Rs Five lakhs.
 6. The company has not accepted deposits from the Public within the meaning of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
 7. The company has an adequate internal audit system commensurate with its size and nature of its business.
 8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
 9. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, have not been regularly deposited by the Company during the year with the appropriate authorities, as indicated below,

STATEMENT OF ARREARS OF STATUTORY DUES OUTSTANDING FOR MORE THAN 6 MONTHS

Sl. No.	Name of the Statute	Nature Of the dues	Amount Rs. (in lakhs)	Period to which The Amount relates	Due Date	Date of Payment
1	ESI Act	ESI	5.61	Up to March 2008	By 20 th of succeeding month	Nil
2	Income Tax Act	FBT / capital gain tax	0.15	For 2007 - 2008		Nil

b) As at March 31, 2008, according to the record of the company and the information and explanations given to us, the following are the particulars of disputed dues (provided / considered contingent liability, as appropriate) on account of sales tax, income tax, customs duty, wealth tax, service tax excise duty and cess matters that have not been deposited on account of any dispute.

STATEMENT OF DISPUTED DUES:

Name of the Statute	Nature of the dues	Amount Rs.in lakhs	Period to which The amount relates	Forum where Disputes are is pending
The Tamil Nadu State sales Tax 1959 Act,	Sales Tax job on Job work and Penalty	13.38	1988-89, 1992-93 1995-96	Commercial Tax Officer, Hosur North
The Central Excise Act, 1944	Concessional rate of Excise Duty	350.00	2000	High Court Chennai.

10. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to financial institutions as given below:

Name of the Financial Institution	Amount Default Rs.in lakhs	Commencement of year of Default from
Industrial Development -Bank of India – Loan I	808.17 *	1993
Industrial Development- Bank of India – Loan II	1697.89 *	2001

*The above amounts do not include penal interest and liquidated damages

12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order 2003 as amended is not applicable.
13. The company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 as amended is not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 as amended is not applicable.
15. In our opinion and according to the information and explanations given to us, the following guarantees given by the company are prejudicial to the interest of the company:
 - a) Industrial Development Bank of India for Rs.770.00 lakhs in respect of term loan obtained by Venlon Metallising Pvt Ltd and
 - b) Canara Bank, Mysore for Rs.100 lakhs in respect of term loan obtained by Dev Power Corporation, Mysore.
16. The company has not received any term loan during the year.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act,1956 during the year.
19. No debentures have been issued by the company and hence the question of creating security or charge in respect thereof does not arise.
20. The company has not raised any money by public issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

Place: Bangalore
Date : 01.09.2008

sd/-

W.A.P. THIRUTHAVADOSS
Chartered Accountant,
Membership Number 25032

PAN ELECTRONICS (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH 2008

Source of Funds	Sch no	As at 31.03.2008		As at 31.03.2007	
		Rs	Rs	Rs	Rs
SHARE HOLDER'S FUNDS					
Share Capital	1		40,000,000		40,000,000
Reserves and Surplus	2		11,326,269		11,579,602
LOAN FUNDS					
Secured Loans	3		265,761,408		277,185,329
Total			317,087,677		328,764,931
Application of Funds					
Fixed Assets	4	179,147,996		186,755,266	
Less: Depreciation		<u>155,067,472</u>		<u>150,366,765</u>	
Net fixed Assets			24,080,524		36,388,501
Investments	5		2,834,520		2,834,520
Current Assets, Loans & Advance					
Inventories	6	3,247,900		5,411,871	
Sundry Debtors	7	4,505,866		2,019,357	
Cash & Bank Balance	8	162,357		197,738	
Loans and Advances	9	<u>76,494,701</u>	84,410,825	<u>71,436,716</u>	79,065,682
Less: Current Liabilities & Provisor	10		29,921,965		30,817,146
Net Current Assets			54,488,860		48,248,536
Miscellaneous Expenditure					
Development Expenses			-		59,280
Balance in Profit and Loss Account			(235,683,773)		241,234,094
Total			317,087,677		328,764,931
Accounting Policies and Notes to accounts	20				

As per our attached report of even date

Chartered Accountant

sdh
Nanik Rohera
Chairman

For and on behalf of the Board

sdh
Nitesh Rohera
Managing Director

sdh
H N Tarachandani
Director

PAN ELECTRONICS (INDIA) LTD.,

PROFIT AND LOSS ACCOUNTS FOR THE PERIOD ENDED AS AT 31ST MARCH 2008

PARTICULARS	Sch no	As at 31.03.2008	As at 31.03.2007
I. INCOME			
Net Sales	11	5,841,540	2,457,972
Jobwork charges received	12	7,810	84,782
Other income	13	83,859	2,305,714
Profit on sale of Asset		16,293,788	-
TOTAL		22,226,997	4,848,468
II. EXPENDITURE			
Raw Materials Consumed	14	1,893,363	1765977
Decretion of Stocks	15	1,637,879	(1,201,191)
Manufacturing Expenses	16	2,084,754	3,817,435
Excise duty on Sales		773,168	506,059
Administrative Expenses	17	1,661,223	2,488,946
Selling Expenses	18	236,002	81,190
Interest & Finance Charges	19	1,224,768	38,594,166
Depreciation	4	8,100,309	8,675,557
Less: Tfr to Revaluation Reserve		0	1,424,138
TOTAL		17,611,465	53,304,001
III. PROFIT/ LOSS FOR THE YEAR			
		4,615,532	(48455533)
Prior Period Income		696,977	946,259
State Special Subsidy		253,333	253,332
Fringe Benefit Tax		15521	14,361
PROFIT/LOSS FOR THE CURRENT YEAR		5,550,321	(49,162,821)
LOSS BROUGHT FORWARD		(241,234,094)	(192,071,273)
LOSS CARRIED FORWARD TO B/S		(235,683,773)	(241,234,094)
Basic and diluted EPS		1.4	-12

Accounting policies and
Notes to accounts 20

As per our attached report of even date

For and on behalf of the Board

sdl
Nanik Rohera
Chairman

sdl
Nitesh Rohera
Managing Director

sdl
H N Tarachandani
Director

Place: Bangalore.
Date: 01.09.2008

PAN ELECTRONICS (INDIA) LTD.,
SCHEDULES FORMING PART OF ACCOUNTS
AS AT 31ST MARCH, 2008

PARTICULARS	Rs As at 31.03.2008	Rs As at 31.03.2007
<u>SCHEDULE - 1 : SHARE CAPITAL</u>		
Authorised:1,00,00,000 Equity Shares of Rs.10/- each	<u>100000000</u>	<u>100000000</u>
Issued, Subscribed and Paid-up Shares:		
40,00,000 Equity Shares of Rs.10/- each fully paid up		
Of which 5,47,380 Equity Shares of Rs.10/- each were		
allotted as fully paid up Bonus share by Capitalisation		
of surplus in Profit and Loss A/c	<u>40,000,000</u>	<u>40,000,000</u>
Total	40,000,000	40,000,000
<u>SCHEDULE - 2 : RESERVES AND SURPLUS</u>		
1. Central Subsidy	1,500,000	1,500,000
2. State Subsidy- II	180,000	300,000
Less: Transfer to Profit and Loss A/c	<u>120,000</u>	<u>120,000</u>
3. State Subsidy- III	600,002	733,334
Less: Transfer to Profit and Loss A/c	<u>133,333</u>	<u>133,332</u>
4. Revaluation Reserve		1,424,138
Less: Transfer to Profit and Loss A/c		<u>1,424,138</u>
5. Share Premium	9,299,600	9,299,600
Total	11,326,269	11,579,602
<u>SCHEDULE - 3 : SECURED LOANS</u>		
1. Bank of India., Bangalore	14,839,810	14,839,810
2. I.D.B.I. Bangalore - Loan - I	80,816,569	80,816,569
3. I.D.B.I. Bangalore - Loan - II	169,788,927	169,788,927
4. Tamilnadu Industrial Investment Corporation, Chennai	-	11,317,535
5. G.E. Countrywide Finance Services - Car Loan	316,102	422,488
Total	265,761,408	277,185,329
<u>SCHEDULE - 4 : FIXED ASSETS</u>		
Gross Block	179,147,996	186,755,266
Less: Depreciation	155,067,472	150,366,765
Net Fixed Assets.	24,080,524	36,388,501
<u>SCHEDULE - 5 : INVESTMENTS</u>		
1. Trade Investments - Quoted.	2,824,520	2,824,520
123120 Equity shares of Rs.5/- each		
Fully paid in M/s. Venlon Enterprises Ltd., Mysore.		
(Previous year 123120 Equity shares of Rs.5/- each)		
Market value as 31.03.2007 Rs.615600		
2. Government & Trust Securities in Kisan vikas Pathra	10,000	10,000
Total	2,834,520	2,834,520

PAN ELECTRONICS (INDIA) LTD.,
SCHEDULES FORMING PART OF ACCOUNTS
AS AT 31ST MARCH, 2008

PARTICULARS	Rs As at 31.03.2008 Rs	Rs As at 31.03.2007 Rs
<u>SCHEDULE - 6 : INVENTORIES</u>		
(As certified by the Managing Director)		
Raw materials	2,395,934	2,433,536
Stock in Process	-	-
Finished Goods	838,709	2,476,588
Consumables, Stores and Spares	8,513	397,686
Packing Materials.	4,744	104,061
Total	3,247,900	5,411,871
<u>SCHEDULE - 7 : SUNDRY DEBTORS</u>		
a) Debts Unsecured - considered good		
i. Outstanding for a period above six months	481,766	1,705,084
ii. Outstanding for a period below six months	4,024,100	314,273
Total	4,505,866	2,019,357
<u>SCHEDULE - 8 : CASH AND BANK BALANCES</u>		
Cash in hand	9,958	158,555
Balance with Scheduled Banks		
a. in current account	152,399	39,183
Total	162,357	197,738
<u>SCHEDULE - 9 : LOANS & ADVANCES</u>		
Unsecured considered good recoverable in cash or in kind or for value to be received.		
a. Advances		
for supplies	831,184	506,286
Employees and others	57,362	462,259
Excise authorities	659,283	444,779
SIPCOT	585,868	585,868
Tax deducted at source	605,348	678,769
Prepaid expenses	-	23,652
b. Wholly owned subsidiaries	71,430,774	66,983,719
c. Deposit with Government Department	1,324,882	1,751,384
d. S.A.S.F.	1,000,000	-
Total	76,494,701	71,436,716

PAN ELECTRONICS (INDIA) LTD.,
SCHEDULES FORMING PART OF ACCOUNTS
AS AT 31ST MARCH, 2008

PARTICULARS	Rs As at 31.03.2008	Rs As at 31.03.2007
<u>SCHEDULE - 10 :CURRENT LIABILITIES & PROVISION</u>		
A. Current Liabilities		
Sundry Creditors		412,262
For Supplies due to SSI		4,721,755
For Supplies others	7,330,952	1,726,000
Lease deposit	1,726,000	1,087,806
For Expense	2,842,774	7,934,379
Advance from Customers & Others statutory payment	2,887,296	
Sub Total	14,787,021	15,882,202
B. Interest Free sales tax deferred loan: New		
Interest Free sales tax deferred loan: Expansion	12,962,873	12,762,873
Sub Total	2,172,071	2,172,071
Total	15,134,944	14,934,944
Total	29,921,965	30,817,146
<u>SCHEDULE - 11 :TURNOVER</u>		
State Sales	101,628	338,318
Inter-State Sales	217,805	1,353,089
Export Sales	4,748,939	490,000
Excise duty on sales	773,168	276,565
Total	5,841,540	2,457,972
<u>SCHEDULE - 12 :JOB WORK</u>		
Job work charges	7,810	84,782
<u>SCHEDULE - 13 :OTHER INCOME</u>		
Interest	39,359	90,876
Rent Receipts	44,500	2,198,572
Interest on IT refund	-	16,266
Total	83,859	2,305,714
Profit on sale of asset	16,293,788	-
<u>SCHEDULE - 14 :COST OF MATERIALS</u>		
Rawmaterials & Components consumed		
Opening stock	2,433,536	1,063,570
Add: Purchases	1,855,762	3,135,943
Less: Closing Stock	2,395,934	2,433,536
Cost of Materials	1,893,363	1,765,977

PAN ELECTRONICS (INDIA) LTD.,
SCHEDULES FORMING PART OF ACCOUNTS
AS AT 31ST MARCH, 2008
PARTICULARS

	Rs As at 31.03.2008	Rs As at 31.03.2007
<u>SCHEDULE - 15 :DECRETION TO STOCKS</u>		
Work in Process - Opening	-	252,415
Finished Goods - Opening	2,476,588	1,022,982
	2,476,588	1,275,397
Work in Process - Closing	-	-
Finished Goods - Closing	838,709	2,476,588
	838,709	2,476,588
Increase/ Decretion to Stock	1,637,879	1,201,191
<u>SCHEDULE - 16 :MANUFACTURING EXPENSES</u>		
Consumables, Stores & Spares, Packing material	632,674	139,165
Excise Duty	773,168	506,059
Power, Fuel & Water charges	1,180,800	3,475,278
Repairs - Machinery	256,408	174,408
Repairs - Other assets	14,872	19,963
Job work charges	-	8,621
Total	2,857,922	4,323,494
<u>SCHEDULE - 17 :ADMINISTRATIVE EXPENSES</u>		
Personnel costs	770,378	1,861,223
Bad debts	17,683	-
Development Expenses	59,280	-
Telephones	121,677	146,817
Vehicle Maintenance	10,004	5,100
Travelling	34,649	19,894
Printing and Stationery	12,221	36,811
Loss on sale of asset	99,458	-
Insurance Charges	9,154	55,760
Miscellaneous Expenses	21,500	30,048
Rates and Taxes	266,240	29,414
Professional Charges	157,564	51,524
Auditors Remuneration	10,000	8,989
Directors Sitting Fee & Board meeting expenses	21,000	7,000
Share Transfer Expenses	50,414	12,490
Wealth tax	-	223,376
Total	1,661,223	2,488,946
<u>SCHEDULE - 18 :SELLING EXPENSES</u>		
Packing and Forwarding; Promotion expenses	236,002	81,190
<u>SCHEDULE - 19 :INTEREST & FINANCE CHARGES</u>		
Interest on Term Loan	1,036,306	36,745,520
Interest on Working Capital	-	1,822,675
Bank Charges	15,159	20,411
Exchange Fluctuation	173,303	5,560
Total	1,224,768	38,594,166

PAN ELECTRONICS INDIA LTD., 2007-2008

SCHEDULE 4 FIXED ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Description	As at 01.04.07	Addition	Deletion	total	Deprecn 01.04.07	for the year	Withdrawn	Up to 31.03.2008	31.03.08
LEASE HOLD LAND	136900	0	0	136900	0	0	0	0	136900	136900
BUILDING	18677114		5146821	13530293	7217505	451912	1090609	6578808	6951485	11641234
ROADS & CULVERTS	181625		0	181625		2960		2960	178665	
PLANT AND MACHINERY	156035441	0	0	156035441	133233621	7411683		140645304	15390137	22801820
ELECTRICAL INSTALLATION	3417741	0	0	3417741	3305212	112524		3417736	5	112529
FURNITURE AND FIXTURE	344435	0	0	344435	308271	21803		330074	14361	36164
OFFICE EQUIPMENT	709837	0	0	709837	518302	67435		585737	124100	191536
COMPUTERS	2674862	0	0	2674862	2674862	0		2674862	0	0
VEHICLE/ INTANGIBLE ASSETS	4407311	0	3810450	596861	3108991	31992	2544127	596856	5	1298320
LEASEHOLD RIGHTS (POWER)	170000	0	0	170000	0	0	0	0	170000	170000
TOTAL	186755266	0	8957271	177797995	150366764	8100309	3634735	154832337	22965658	36388503
Previous Year	186755266	0	0	186755266	141691208	8675557	0	150366764	36388503	45064058

PAN ELECTRONICS (INDIA) LTD.,

Schedule 20- Accounting policies on accounts for the year ended 31.03.2008

1. Accounting Policies:

Accounting Convention: Accounts are maintained on an accrual basis under the historical cost convention.

2. Fixed Assets:

Building and Plant and Machinery are stated at revalued cost less depreciation. Additions to Plant and Machinery and Building after 01.04.1993 are stated at Cost of acquisition less depreciation. Other assets are stated at their original Cost less depreciation.

3. Depreciation:

Depreciation on Fixed Assets has been provided on the Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.

4. Inventories:

Inventories are valued at lower of cost or net realizable value. Cost has been arrived at adopting the first-in-first out cost formula.

5. Investments:

Investments are stated at cost and no provision is made for the diminution in the market value of investments as they are intended as long term investments.

6. Retirement Benefits:

The gratuity payable to retiring employees is covered by Group Gratuity Insurance Policy with LIC of India. Provisions for Provident Fund and Leave encashment has been made based on the actual amount payable.

7. State Subsidy:

State subsidy is treated as deferred income and is recognized in the Profit and Loss Account over the period and in proportion to the depreciation on assets on which subsidy was originally granted.

8. Borrowing Costs:

Borrowing costs eligible for capitalization are capitalized to the cost of qualifying assets. Other borrowing costs are treated as expensed.

9. Segmental reporting:

All the products/activities of the company are subject to the same risks and returns and as such, do not comprise separate segments. Hence the question of segmental reporting as required by Accounting Standard 17 issued by the Institute of Chartered Accountants of India does not arise.

10. Foreign currency transaction:

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

11. General:

Accounting policies not specifically referred to conform to the requirements of generally accepted accounting principles and the accounting standards prescribed by the Institute of Chartered Accountants of India.

PAN ELECTRONICS (INDIA) LIMITED

SCHEDULE: 21 NOTES FORMING PART OF ACCOUNTS.

- I Claims against the Company not acknowledged as debts Rs. 363.38 lakhs towards Central Excise and Sales tax (Previous year Rs.363.38)
- II Certain balances appearing under secured loan, unsecured loans, loan & advances, sundry advances, sundry debtors/creditors are pending and necessary adjustments, if required, will be made as and when the accounts are reconciled and settled. In respect of dues to financial institutions, the Company has not provided penal interest and ; liquidated damages charged by financial institution pending negotiations, amount of which is not ascertainable.
- III Contingent liabilities:
- (i) Bills discounted with Banks NIL (Previous year Rs. Nil)
 - (ii) Corporate guarantee given to Industrial Development of India guaranteeing due repayment of Non Convertible Debentures of Rs. 770 lakhs. (Previous year Rs.770 lakhs) by Venlon Metallising Private Limited.
 - (iii) Guarantee of Rs.100 lakhs given to Canara Bank, Mysore securing due repayment of term loan obtained by Dev Power Corporation, Mysore.
 - (iv) TIIC has claimed its pari passu share Rs.3.36 lakhs from IDBI.

1. Managerial Remuneration under Section 198 of the Companies Act, 1956 paid to Shri. Nitesh Rohera, Managing Director Rs. Nil (Previous year Rs. Nil) Provident Fund Contribution by employer is Rs. Nil (Previous year Rs. Nil). Chairman has waived his remuneration for the year 2007-08

2. Auditor's Remuneration:	Current Year	Previous year
a) Audit fee	Rs. 10,000.00	Rs. 8,989.00
b) Out of pocket expenses		Rs. 1,200.00
Total	Rs. 10,000.00	Rs.10,189.00

3. CAPACITY AND PRODUCTION DETAILS.

			Polypropylene Polyester in MT	Job work In MT	Elements	Capacitors
1	Licensed capacity	31.03.2008	600		120000000	300000
		31.03.2007	600		120000000	300000
2	Installed capacity	31.03.2008	600		6000000	
		31.03.2007	600		6000000	
3	Production	31.03.2008	15.160	0.400	0	532
		31.03.2007	6.039	1.433	49090	0

PAN ELECTRONICS (INDIA) LTD.,**4. MATERIALS OBTAINED FROM JOB WORKING:**

31.03.2008 - NIL
31.03.2007 - NIL

5. TURNOVER AND STOCKS**TURNOVER**

Material	2007-2008		2006-2007		Value (Rs.)
	Unit	Qty	Value	Qty	
1. Polypropylene polyester Film	Ton	12.966	5815603	3.604	942128
2. Capacitor Elements	Nos	532	25937	52849	1513083
3. Capacitors	Nos	0	0	478	2761
TOTAL			5841540		2457972

6. STOCKS:

Material	2007 - 2008		2006 - 2007		Value (Rs.)
	Unit	QTY	Value	QTY	
1. Polypropylene Polyester Film	Kgs	2356	733009	5101.86	1626652
2. Capacitor Elements	Nos	0	0	24040	502464
3. Capacitors	Nos			0	0
4. Excise duty payable on Finished goods			105700		347472
TOTAL			838709		2476588

7. RAW MATERIALS CONSUMPTION:

Material	2007 - 2008		2006 - 2007	
	Value (Rs.)	%	Value (Rs.)	%
Imported raw mats	2558395	72	1381048	78
Indigenous raw mats	994932	28	384929	22
Total	3553327	100	1765977	100

8. BASIC RAW MATERIALS CONSUMED:

Material	2007 - 2008		2006 - 2007	
	QTY	Value	QTY	Value (Rs.)
Poly propylene/Polyester	9367 Kgs	2625225	8287.46	1381048
Total	12367 Kgs	2625225	8287.46	1381048

PAN ELECTRONICS (INDIA) LTD.,

9. INDIGENEOUS

2007 - 2008

2006 - 2007

Material	QTY	Value	QTY	Value (Rs.)
Zinc Wire	648 Kgs	424264	235.89	208203
Plastic Core		189406		3869
Chemical & Others		147679		77726
Aluminium Wires	1712 Kgs	144668	1156.00	95131
Total		906017		384929

10. STORES & SPARES CONSUMPTION:

2007 - 2008

2006 - 2007

Material	Value (Rs.)	%	Value (Rs.)	%
Imported	0	0	0	0
Indigenous	632674	100	139165	100
Total	632674		139165	100

11. CIF VALUE OF IMPORTS:

2007 - 2008

2006 - 2007

	Current year	Previous year
Raw materials	1527523	2779711
Stores & Spares		0
Total	1527523	2779711

- 12 Expenditure in foreign currency : Rs. Nil (Previous year : Nil)
Earnings in foreign currency : Rs.11.39 lakhs (Previous year Rs. 4.90 lakhs).

13. Loans and advances include:

Advance to wholly owned subsidiary Company Venlon Metallising Pvt Ltd Rs.330.48 (Previous year Rs.358.64 lakhs)

Advance to wholly owned subsidiary Company Venlon Metacoat Pvt Ltd Rs.383.82(Previous year Rs.311.19lakhs).

14. The names of the SSIs to whom the amount which is outstanding for more than 30 days as on 31.3.08 are as under:

Transducers & Allied Products Bangalore

Mass Plastic Industries, Bangalore

Ball & Roller Bearings Company

Swasthik Packaging Industries, Hosur

Peenya Industrial Gages Pvt Ltd, Hosur.

PAN ELECTRONICS (INDIA) LTD.,

Deferred Tax assets

Rs. in lakhs

	31.03.2008	31.03.2007
Unabsorbed business loss	55.29	55.29
Unabsorbed depreciation	43.41	88.41
43B Disallowances of earlier years available for deduction upon payment	583.95	583.95
Total	682.65	727.65
Deferred Tax Liability		
Difference between net block as per books and WDV as per Income Tax Act	92.09	77.09
Total Deferred Tax Assets	590.56	650.56

Related party transactions:

Particulars	VMI	VMPL	VMC
	(Rs in Lakhs)		
Purchases of goods			
Sale of goods			
Purchase of Fixed assets			
Sale of Fixed assets			
Rendering of services			
Receiving of services			
Agency agreements.			
Leasing or hire purchase arrangements			
Transfer of research & development			
License Agreement			
Finance received (including loans & Equity contributions in cash or in kind As at 31.03.2008.		330.48	383.82
Guarantees and collateral management contracts Including for deputation of employees amount.		870	

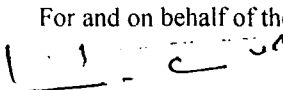
- (a) VMI - Venlon Metallica Industries - a firm in which the Directors are interested.
- (b) VMPL - Venlon Metallising Private Ltd. - which is a wholly owned subsidiary.
- (c) VMC - Venlon Metacoat Private Ltd.- which is wholly owned subsidiary.


16. Previous year's figures have been regrouped/reclassified, wherever necessary.


As per our attached report of even date.

Chartered Accountants.

For and on behalf of the Board.


Nanik G Rohera
Chairman

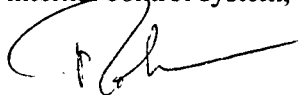

Nitesh Rohera
Managing Director.


H N Tarachandani.
Director.

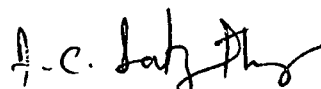
The Board of Directors
PAN Electronics (India) Limited
No. 69.III Cubbonpet
BANGALORE 560 002

MD / CFO CERTIFICATION

- a) We have reviewed financial statements and cash flow statement for the year ended 31st March 2008 and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or any material fact or statements that might be misleading.
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with 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 the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
1. Significant changes in internal control during the year
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system, if any.



Nitesh Rohera
Managing Director



A C Satyamurthy
CFO

Date : 01.09.08
Place : Bangalore

PAN ELECTRONICS (INDIA) LTD.
CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	31.03.2008	31.03.2007
A.CASH FLOW - OPERATING ACTIVITIES		
Net P/ L before Tax and prior period adj	5550321	48455533
Adjustment for:		
Depreciation & Deferred Expenditure	8100309	7251419
Interest	1036306	38594166
Development Expenses	59280	
Fringe Benefit Tax	15521	14361
Bad debts	17683	
Exchange fluctuation	173303	
Loss on sale of assets	99458	0
Prior period item	696977	946259
Subsidy	253333	
Profit on sale of assets	16293788	
Negotiated wage settlements	113090	
Operating Profit Before W.C. Changes	-2305007	3570568
Adjustment for:		
Inventories	2163971	141958
Trade and Other Receivable		11158990
Trade and Other Payable	905181	6136408
Debtors	2486509	
Loans and advance	3342398	
Cash Generated from Operations	-6875124	159372
Net Cash Flow from Operation		159372
B.CASH FLOW - INVESTING ACTIVITIES		
Purchase of Fixed Assets	0	0
Sale of Fixed Assets	20300000	0
Net Cash Flow from Investing		
C.CASH FLOW - FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	12423921	1064764
Increase/Decrease in Cash Credit		738399
Interest paid	1036306	1848646
Net Cash Flow from Financing	-13460227	3651809
Net Increase/ Decrease in cash equivalents (A+B+C)	-35351	2057837
Cash Equivalents at the beginning of the yr	197738	2255575
Cash Equivalents at the end of the yr	162387	197738

As per our attached report of even date

sd/-

Chartered Accountant

Place: Bangalore
Date : 1.9.2008

For and on behalf of the Board

sd/-

Nanik Rohera
Chairman

sd/-

Nitesh Rohera
Managing Director

sd/-

H N Tarachandani
Director

PAN ELECTRONICS (INDIA) LIMITED**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS:**

Registration No	State Code No	Balance Sheet Date
08-4960	08	31.03.2008

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS: (Amount in Rs.thousands)

Total Liabilities	Total assets

SOURCES OF FUNDS:

Paid up Capital	Reserves & Surplus	Secured Loans	Unsecured Loans
40000			-

APPLICATION OF FUNDS:

Net fixed Assets	Investments	Net Current Assets	Misc. Expenditure	Capital WIP
				-

ACCUMULATED LOSSES:**IV. PERFORMANCE OF COMPANY (Amount in thousands)**

Turn over	Total Expenditure	+Profit/(Loss) before tax	+Profit(Loss) after tax

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



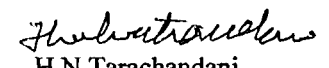
Earning per Share in Rs

Dividend Rate %: NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

Item Code No (ITC Code)	Product description
85321002	Electronic Capacitor Grade Metallised Polypropylene Film
85322104	Plastic Film Capacitor Elements / Capacitor
85321002	Electronic Capacitor Grade Metallised Polyester Film

As per our Report of Even date


Nanik G Rohera
Chairman
Nitesh Rohera
Managing DirectorW.A.P. Thiruthuvadoss
Chartered Accountant
Place : Bangalore
Date : 01.09.08
H N Tarachandani
Director

PAN ELECTRONICS (INDIA) LIMITED
Regd Office: 69 Cubbonpet, III Cross,
BANGALORE 560 002

TWENTY FIFTH ANNUAL GENERAL MEETING ATTENDANCE SLIP

Folio No
No.of Shares.....
(To be filled by the Shareholder)

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company to be held at Ashirwad Party Hall, No.1446-A, 18th Main, 4th T Block, 39th F Cross, Jayanagar, Bangalore 560 041 on Wednesday the 24th September 2008 at 3.30 pm

MEMBER'S SIGNATURE

Note:

1. A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at entrance.
2. Member intending to appoint a Proxy should complete the Proxy form and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

Proxy's Signature

PAN ELECTRONICS (INDIA) LIMITED
Regd Office: 69 Cubbonpet, III Cross,
BANGALORE 560 002

TWENTY FIFTH ANNUAL GENERAL MEETING ATTENDANCE SLIP

PROXY FORM
Folio No
No.of Shares.....
(To be filled by the Shareholder)

I/We----- being a Member / Members of PAN ELECTRONICS (INDIA) LIMITED, hereby appoint -----of----- in the district of -----or failing him ----- of -----in the district of ----- as my / our Proxy to vote for me / us on my / our behalf at the 25th Annual General Meeting of the Company to be held on Wednesday the 24th September 2008 and at any adjournment thereof.

Signed this----- day of---- 2008

Name -----

Address-----

N.B:

Affix Re. 1 Revenue Stamp

The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.