

RSAV & COMPANY

Chartered Accountants

AUDITORS' REPORT

To,
The Board of Directors
M/S PANAFIC INDUSTRIALS LIMITED
NEW DELHI

Dear Sirs,

We have audited the Balance Sheet of **M/S PANAFIC INDUSTRIALS LIMITED** as at 31st March, 2013 and the Statement of Profit and Loss and the cash flow statements for the year ended on that date.

As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 as amended up to June 30, 2011 issued by Reserve Bank of India (RBI), we give hereunder our report on matters specified in paragraphs 3(A) and (C) of the said Directions:

- i. The Company is engaged in the business of non-banking financial institution and has obtained a Certificate of Registration as provided in Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- ii. The Company is engaged in the business of non-banking financial institution requiring it to hold a Certificate of Registration under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) for the year ended on 31st March, 2013.
- iii. The Board of Directors has passed a resolution for the non-acceptance of any public deposits.
- iv. The Company has not accepted any public deposits during the relevant year.
- v. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.

Yours Faithfully,

For M/S RSAV & COMPANY
CHARTERED ACCOUNTANTS
F.R.N.-022058N



Abhinaya Verma
ABHINAYA VERMA
(Partner)
M.NO. 511290

Place: New Delhi
Date : 03/09/2013

RSAV & COMPANY

Chartered Accountants

AUDITOR'S REPORT

**TO THE MEMBERS OF
PANAFIC INDUSTRIALS LIMITED**

Report on the financial statement

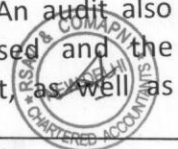
We have audited the accompanying financial statements of **PANAFIC INDUSTRIALS LIMITED**, which comprise the balance sheet as at march 31, 2013 and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in sub-section (3c) of section 211 of the companies act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the institute of chartered accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as



evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a. In the case of the balance sheet, of the state of affairs of the company as at march 31, 2013;
- b. In the case of the profit and loss account, of the profit/ loss for the year ended on that date; and
- c. In the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the companies (auditor's report) order, 2003 issued by the central government of India in terms of sub-section (4a) of section 227 of the act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the act, we report that:
 - 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 appears from our examination of those books.
 - C. The balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account
 - D. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in subsection (3c) of section 211 of the companies act, 1956;
 - E. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the board of directors, none of the directors is disqualified as on march 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956.



F. Since the central government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For M/S RSAV & COMPANY
CHARTERED ACCOUNTANTS
F.R.N.-022058N

Date : 03/09/2013
Place: New Delhi



Ashinaya Verma
ASHINAYA VERMA
(Partner)

M. No. 511290

PANAFIC INDUSTRIALS LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

[The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Panafic Industrials Limited on the accounts of the company for the year ended 31st March, 2013.]

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the bases of available information.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, a unit of the company has been disposed during the year but does not affect the going concern assumption.
2. **In respect of Inventories:**
(a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to information and explanations given to us, 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 has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the



provisions of clauses 3 (b), (c) and (d) of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. **a)** Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. **(a)** According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of



March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

10. The Company has no accumulated losses in the current financial year as well as previous financial year. There is not any cash loss incurred by the company in the current year and corresponding previous year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted 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 or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.



21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

FOR M/S RSAV & COMPANY
CHARTERED ACCOUNTANTS
F.R.N.: 022058N



ABHINAVA VERMA
(Partner)
M. No.:511290

Place : New Delhi
Date : 03 /09 /2013

Panafic Industrials Limited
Balance Sheet as at 31st March 2013

(Amount in `)

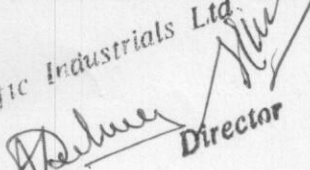
PARTICULARS	NOTE	31st March, 2013	31st March, 2012
I EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
Share Capital	1	7,425,000	7,425,000
Reserve and Surplus	2	4,057,401	3,211,942
(2) Current Liabilities			
Other Current Liabilities	3	189,613,000	158,751,302
Short-Term Provisions	4	464,919	319,847
TOTAL		201,560,320	169,708,091
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets		10,600,000	21,200,000
(2) Current Assets			
Inventories	5	5,099,008	10,093,718
Trade Receivables	6	201,534	7,793,943
Cash and Cash Equivalents	7	11,206,257	4,054,642
Short-Term Loans and Advances	8	174,118,500	126,422,757
Other Current Assets	9	335,021	143,031
TOTAL		201,560,320	169,708,091
NOTES ON ACCOUNTS	17		

(Notes 1 to 17 referred to above form an integral part of the Balance Sheet & Profit & Loss A/c)

For and On Behalf Of The Board

In terms of our separate report of even date attached

For **RS&V & COMPANY**
CHARTERED ACCOUNTANTS
 F.R.No. 022058N

Panafic Industrials Ltd.

 (Director) (Director)
 Date : 3rd September, 2013
 Place : New Delhi



Abhinaya Verma
ABHINAYA VERMA
 (Partner)
 M.No. 511290

Panafic Industrials Limited

Profit And Loss Account for the year ended 31st March, 2013

(Amount in `)

PARTICULARS	NOTE	31st March, 2013	31st March, 2012
I. Revenue from Operations	10	36,047,409	114,947,996
II Other Income	11	2,450,276	1,433,246
III Total Revenue (I+II)		38,497,685	116,381,241
IV <u>Expenses:</u>			
Purchases of Stock-in-Trade	12	32,013,410	95,769,352
Changes in Inventories of Stock-in-Trade	13	4,994,710	20,019,737
Employee Benefits Expenses	14	275,000	275,000
Finance Cost	15	-	-
Administration & Other Expenses	16	224,035	304,883
Contingent Provision for Standard Assets (@ 0.25% of outstanding standard assets as per RBI Notification)		119,239	316,057
Total Expenses		37,626,394	116,685,029
V Profit Before Tax (III - IV)		871,292	(303,788)
VI Tax Expenses:			
(1) Current Tax		25,833	3,790
(2) Prior Period Tax Adjustment			(8,649)
VII Profit / (Loss) for the Period (V -VI) transferred to Reserve and Surplus		845,459	(298,929)
VIII Earning per Equity Share:			
(1) Basic		1.14	-
(2) Diluted		1.14	-

NOTES ON ACCOUNTS

(Notes 1 to 17 referred to above form an integral part of the Balance Sheet & Profit & Loss A/c)

17

In terms of our separate report of even date attached

For and On Behalf Of The Board

[Signature]
Panafic Industrials Ltd
[Signature]
Director

(Director)

(Director)

Date : 3rd September, 2013

Place : New Delhi

For RSAV & COMPANY
CHARTERED ACCOUNTANTS

F.R.No. 022058N

[Signature]
ABHINAYA VERMA
(Partner)

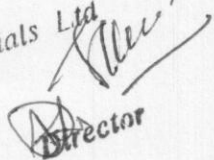
M.No. 511290

Panafic Industrials Limited

Notes on Financial Statements for the Year Ended 31st March, 2013

(Amount in `)

Particulars	31st March, 2013	31st March, 2012
NOTE: 1 SHARE CAPITAL		
(a) Authorised		
750000 Equity Shares of ` 10/- Each	7,500,000	7,500,000
Total	7,500,000	7,500,000
(b) Issued, Subscribed & Paid Up		
742500 Equity Shares of ` 10/- Each fully Paid up in Cash	7,425,000	7,425,000
Total	7,425,000	7,425,000
NOTE: 2 RESERVE & SURPLUS		
(a) General reserve		
Opening General Reserves	3,207,980	3,207,980
Add: During the year Transfer	-	-
Total (A)	3,207,980	3,207,980
(b) Reserve fund (as required by section 45-IC of Reserve Bank Of India Act, 1934)		
Op. Balance	-	-
Add: - Current Year Transfer	169,092	-
Total	169,092	-
(c) Surplus of profit & loss account		
Op. balance	3,962	302,891
B/f Current year's profit & loss account	845,459	(298,929)
Less: - Transfer to reserve fund	169,092	-
Total	680,329	3,962
Grand Total (a+b+c+d)	4,057,401	3,211,942
NOTE: 3 OTHER CURRENT LIABILITIES		
Expense Payable	-	-
Audit Fee Payable	-	15,000
Other liabilities	189,613,000	158,736,302
Total	189,613,000	158,751,302
NOTE: 4 SHORT-TERM PROVISIONS		
For Income Tax	3,790	3,790
For Standard Assets	461,129	316,057
Total	464,919	319,847
NOTE: 5 INVENTORIES		
(Cost or Market Price Whichever is lower)		
Stock-in-Trade	5,099,008	10,093,718
Total	5,099,008	10,093,718
NOTE: 6 TRADE RECEIVABLE		
Secured & Unsecured		
Due Upto Six Months	201,534	7,793,943
Due Beyond Six Months	-	-
Total	201,534	7,793,943

For Panafic Industrials Ltd

 Director

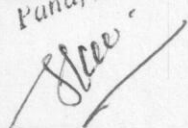


Panafic Industrials Limited

Notes on Financial Statements for the Year Ended 31st March, 2013

(Amount in `)

Particulars	31st March, 2013	31st March, 2012
NOTE: 7 CASH & CASH EQUIVALENTS		
(A) Cash in Hand	1,751,762	876,492
(B) Balances with Scheduled Banks		
Current A/C- Ing Vysya Bank Limited	5,898,150	78,252
Current A/C- HDFC Bank	3,556,345	3,099,898
Total	11,206,257	4,054,642
NOTE: 8 SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good)		
Advances Recoverable in Cash Or in kind for value to received	174,118,500	126,422,757
Total	174,118,500	126,422,757
NOTE: 9 OTHER CURRENT ASSETS		
TDS Receivable	335,021	143,031
Total	335,021	143,031
NOTE: 10 REVENUE FROM OPERATIONS		
Sales (including Shares Trading F & O)	36,047,409	114,947,996
Total	36,047,409	114,947,996
NOTE: 11 OTHER INCOME		
Dividend	-	2,941
Interest and other income	2,050,276	1,430,305
Gain on Sale of E 96 1st Floor at GK I	400,000	
Total	2,450,276	1,433,246
NOTE: 12 PURCHASE		
Purchases of Stock-in-Trade	31,968,215	95,709,932
Add:- Security Transaction Tax	45,195	59,420
Total	32,013,410	95,769,352
NOTE: 13 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Opening Stock-in-Trade	10,093,718	30,113,455
Less- Closing Stocks-in-Trade	5,099,008	10,093,718
(Increase)/Decrease in Stock-in-Trade	4,994,710	20,019,737
NOTE: 14 EMPLOYEES BENEFITS EXPENSES		
Salaries & Wages	240,000	240,000
Staff & Labour Welfare Expenses	35,000	35,000
Total	275,000	275,000
NOTE: 15 FINANCE COST		
Interest expense		-
Finance Charges		-
Total		-

For Panafic Industrials Ltd

 Director

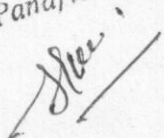


Panafic Industrials Limited

Notes on Financial Statements for the Year Ended 31st March, 2013

(Amount in `)

Particulars	31st March, 2013	31st March, 2012
NOTE: 16 ADMINISTRATION AND OTHER EXPENSE		
Office Rent	48,000	48,000
Payment to Auditors:	-	-
- Towards Audit Fee	15,000	15,000
Advertisement Expenses	7,280	6,980
AGM Expenses	45,120	42,100
Travelling & Conveyance Expenses	18,260	17,360
Bank Charge	8,127	1,616
Legal & Professional Charges	14,500	12,900
General Expenses	17,570	15,650
Meeting Expenses	15,000	-
Printing & Stationary	18,500	17,800
Listing Fees	11,133	11,300
Roc Fees	3,500	3,500
Demat Charges	2,045	2,247
Share Option Expiry Difference	-	3,547
Shares Trading Account	-	106,883
Total	224,035	304,883

For Panafic Industrials Ltd

Director



PANAFIC INDUSTRIALS LIMITED

Notes to Accounts & Significant Accounting Policies

NOTE : 17

1. **Statement on Significant Accounting Policies:**

These financial statements are prepared on accrual basis and under historical cost convention and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies adopted by the company are detailed below:

i) **Revenue Recognition**

The Company recognizes revenue on an accrual basis according to AS-9 issued by the ICAI.

ii) **Provisions and Contingencies**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation can not be made.

iii) **Retirement Benefits**

There is no amount of gratuity liability or leave encashment or any other retirement benefits for which the company may be made liable to pay. Hence no provision for the same has been made as on the date of Balance sheet.

2. **Cash Flow Statement:**

- a) The Statement Has been prepared under indirect method except in case of dividends, sale/purchase of investments and taxes which have been considered on the basis of actual movement of case, with corresponding adjustment in assets and liabilities as set out in the Accounting Standard- 3 issued by ICAI.
- b) Cash and cash equivalents represent cash and bank balances only.

3. **Segment Reporting**

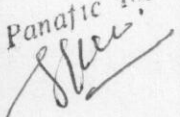
The Companies core activity is to investment, sale/purchases of Shares. This is the only business segment as per Accounting Standard-17 issued by the Institute of Chartered Accountants of India.

4. **Contingent Liabilities**

As certified by the management there is no Contingent liability as on 31/03/2013.

5. **Related Party Disclosure:**

In accordance with the requirements of Accounting Standards (AS) – 18 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and descriptions of relationships, as identified and certified by the management, are:

For Panafic Industrials Ltd

Director



I. **Key Management Personnel**

- Mr. Virender Gupta (Director)
- Mr. Ashwani Kumar Salwan (Director)
- Mr. Braj Mohan Singh (Additional Director)

II. As informed by the management there was no related party transactions made during the year.

6. **Earnings in Foreign Currency**

	Year ended March 31, 2013	Year ended March 31, 2012
Sale of Shares	Nil	Nil
Dividend and Interest	Nil	Nil
Other Income	Nil	Nil

7. **Expenditure in Foreign Currency**

Travelling Expenses	Nil	Nil
Others	Nil	Nil

8. **Payment to Auditors**

Statutory Audit Fees	15000	15000
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9. In the opinion of the Board of Directors and to the best of their knowledge and belief the realizable value of Current Assets, Loans and Advances in ordinary course of business is not less than the value stated in the Balance Sheet.

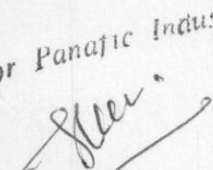
10. **Earning Per Share (EPS)**

Profit computation for both Basic and Diluted earnings per share of ` 10/- each.

Net Profit/(Loss) as per P&L Account available to shareholders	845459	(298929)
Weighted average No. of Equity Shares	742500	742500
Earning per Share (Basic & Diluted)	1.40	-

11. Due to Small Scale Undertakings exceeding ` 1.00 lac overdue for more than 30 days-

Nil

For Panafic Industrials Ltd

Director



12. The additional Information pursuant to revised Schedule VI to the Companies Act, 1956 are either Nil or Not Applicable.

13. The previous year figures have been reclassified/ regrouped wherever necessary.

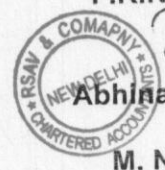
For Part... Industrials Ltd.

[Signature]
(Director) Director

(Director)

Place : New Delhi
Date : 03rd September, 2013 *[Signature]*

As per our separate report of even date
For RSAV & COMPANY
CHARTERED ACCOUNTANTS
F.R.N.-022058N



[Signature]
Abhinaya Verma
(Partner)
M. No. 511290