



# **PANAFIC INDUSTRIALS LIMITED**

**CIN: L45202DL1985PLC019746**

## ***29<sup>TH</sup> ANNUAL REPORT***

***For Financial Year 2013-14***

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Rajeev Kumar Gupta: Additional Director  
Mrs. Sarita Gupta: Additional Director  
Mr. Sanjeev Kumar : Independent Director  
Mr. Ankur Sharma : Independent Director

### **STATUTORY AUDITORS**

Rohit Suri and Associates,  
Chartered Accountants  
7-Sharda Niketan  
Pitampura, New Delhi-110034  
Contact Person: Mr. Rohit Suri

### **REGISTRAR & TRANSFER AGENT**

Skyline Financial Services Private Limited  
D-153A, First Floor, Near-Courtesy Honda City Showroom,  
Okhla Industrial Area, Phase-I, New Delhi-110020

### **ANNUAL GENERAL MEETING**

Date : 30<sup>th</sup> September, 2014  
Time : 11.00 A.M.  
Day : Tuesday  
Venue : 23, II Floor, North West Avenue,  
Club Road, West Punjabi Bagh,  
New Delhi-110026

### **NAME OF THE STOCK EXCHANGES AT WHICH THE COMPANY'S SHARES ARE LISTED**

The Delhi Stock Exchange

### **REGISTERED OFFICE**

23, II Floor, North West Avenue,  
Club Road, West Punjabi Bagh,  
New Delhi-110026

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# Panafic Industrials Ltd.

Regd. Off.: 23, IIInd Floor, North West Avenue, Club Road,  
West Punjabi Bagh, New Delhi-110026

Ph. : 011-64909998

E-mail : panafic.industrials@gmail.com

Website: www.panaficindustrialsltd.com

CIN: L45202DL1985PLC019746

## NOTICE

Notice is hereby given that the **29<sup>th</sup> Annual General Meeting** of the Members of the Company will be held on **Tuesday, the 30<sup>th</sup> day of September, 2014 at 11.00 A.M.**, at the registered office of the company at 23, II Floor, North West Avenue, Club Road, West Punjabi Bagh, Delhi- 110026 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet for the Financial Year ended 31st March, 2014, the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To re-appoint **M/s Rohit Suri and Associates** as the Statutory Auditors and to fix their remuneration in terms of Section 139, 141 and Section 142 of the Companies Act, 2013 and for that purpose pass with or without modification the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 of the Companies Act, 2013, Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the recommendation of the Audit committee of the Company under section 177(4)(i) of the Act, **M/s Rohit Suri and Associates**, Chartered Accountants, New Delhi, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth Annual General Meeting, considering this Annual General Meeting as 1<sup>st</sup> Annual General Meeting of the Company, subject to the ratification by the Members at every AGM held after this AGM and on such remuneration as may be decided by the Board of Directors with mutual consent of the appointee Auditors."

### SPECIAL BUSINESSES:

3. **Appointment of Mr. Rajeev Kumar Gupta as a Director**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013, if any, **Mr. Rajeev Kumar Gupta (DIN: 01735427)**, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 17<sup>th</sup> July, 2014, and who holds office till the date of the ensuing AGM and from whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 signifying his intention to propose himself as a candidate for the office of a Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation."



*Santa White*



**4. Appointment of Mr. Rajeev Kumar Gupta as Managing Director**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the members be and is hereby accorded to appoint **Mr. Rajeev Kumar Gupta (DIN: 01735427)** as Managing Director of the Company for a term of 5 (five) years commencing from 6<sup>th</sup> September, 2014, whose office shall not be liable to retire by rotation, upon such terms and conditions (without remuneration) as set out in the explanatory statement annexed to this Notice with the liberty to the Board to alter and vary the said terms and conditions as it may deem fit and as may be acceptable to Mr. Rajeev Kumar Gupta.”

**5. Appointment of Mrs. Sarita Gupta as a Director**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013, if any, **Mrs. Sarita Gupta (DIN: 00113099)**, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 17<sup>th</sup> July, 2014, and whose term of office expires at the ensuing Annual General Meeting and from whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

**6. Appointment of Ms. Renu as a Director**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013, if any, **Ms. Renu (DIN: 03572788)**, from whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 signifying her intention to propose herself as a candidate for the office of a Director, be and is hereby appointed as a Director on the Board of the Company whose office shall be liable to retire by rotation”.

**7. Appointment of Mr. Ankur Sharma as an Independent Director**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provision of Section 149, 152 read with Schedule IV and all other applicable provision of the Companies Act, 2013 and Companies (Appointment and Qualification of



Directors) Rules, 2014 including any statutory modifications or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, **Mr. Ankur Sharma (DIN: 06625403)**, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation at the AGM, to hold office for a term of 5 (Five) consecutive years up to the conclusion of the 34<sup>th</sup> AGM of the company which shall be held for the financial year 2018-19.”

#### **8. Appointment of Mr. Sanjeev Kumar as an Independent Director**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provision of Section 149, 152 read with Schedule IV and all other applicable provision of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modifications or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, **Mr. Sanjeev Kumar (DIN: 06625416)**, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation at the AGM, to hold office for a term of 5 (Five) consecutive years up to the conclusion of the 34<sup>th</sup> AGM of the company which shall be held for the financial year 2018-19.”

#### **9. Approval of Borrowing Limits of the Company**

**To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:**

“**RESOLVED THAT** in suppression to all the resolution passed earlier by the Company with respect to the borrowing powers of the Board of Directors, consent of the members be and is hereby accorded under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors of the Company, to borrow any sum or sums of money, from time to time for the purpose of the Company, upon such terms and conditions and with/without security, as the Board of Directors may, in its absolute discretion, think fit and proper, notwithstanding the fact that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, (that is to say, reserves not set apart for any specific purpose), provided that the total amount of such borrowings shall not exceed, at any time, a sum of **Rs. 2,00,00,000/- (Rupees Two Crores only)** over and above the paid up capital and free reserves of the Company and the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit.

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby further authorized to create mortgages and/or charges on such properties of the Company as it may think fit and for that purpose to execute such documents, papers, deeds and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this Resolution.”





## 10. Approval for Creation Of Charge/ Mortgage on the Assets of the Company

To consider and if thought fit to pass, with or without modification(s), the following as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and all other applicable provisions if any of the Companies Act, 2013 or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof) and in terms of Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter “the Board”) for mortgaging / charging all or any of the immovable and movable properties of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans / borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding **Rs. 2,00,00,000/- (Rupees Two Crores only)** at any point of time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board or any of its duly constituted committee be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion may deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the charge/mortgage aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

For and on behalf of the Board of Directors  
M/s Panafic Industrials Limited



*Sarika Gupta*

Sarita Gupta  
Chairperson

DIN: 00113099

D-158, Pushpanjli Enclave,  
Pitam Pura, Delhi- 110034

Place: Delhi

Date: 06<sup>th</sup> September, 2014

## NOTES:

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT 23, II FLOOR, NORTH WEST AVENUE, CLUB ROAD, WEST PUNJABI BAGH, DELHI- 110026 AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.***
2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
3. Members are requested to notify change in address, if any, to the Share Transfer Agent and to the Company quoting their Folio Numbers, number of shares held etc.
4. Members/ Proxy holders are requested to produce at the entrance, the attached admission slip for admission into the meeting hall. Duplicate admission slips will not be provided at the hall.
5. Members who have not registered their e-mail addresses with the Company are requested to register the same for receiving communications including Annual Reports, Notices, and Circulars etc. by the Company electronically.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **26/09/2014 to 30/09/2014 (both days inclusive)** in connection with AGM.
7. **Voting through Electronic Means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the Members, facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

### **INSTRUCTIONS FOR E-VOTING**

(i) The voting period begins on 24<sup>th</sup> September, 2014 at 9:00 A.M. and ends on the same day at 6.00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 5<sup>th</sup> September, 2014, may cast their vote electronically.

The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iii) Click on Shareholders.

(iv) Now enter your User ID which is:

(a). For CDSL: 16 digits beneficiary ID,

(b). For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c). Members holding shares in Physical Form should enter Folio Number registered with the Company.





(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Folio number / Client ID in the PAN field.</p> <p>In case the Folio Number/Client ID is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio/ Client ID 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Number of Shares in the Dividend Bank details field as mentioned in instruction (v).</p>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Panafic Industrials Limited.



(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xx) A member who has cast his/her vote through e-voting or duly appointed proxy/proxies of such a member shall be entitled to attend the Annual General Meeting (AGM) of the Company. However, he/she cannot vote at the AGM.

(xxi) **Ms. Sonia Khenduja, Practicing Company Secretary and Partner at M/s Grover Ahuja and Associates** has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxii) The results of the e-voting along with the Scrutinizer's Report shall be placed on the website of CDSL within three working days of passing of the resolutions at the Annual General Meeting of the Company to be held on **30th September, 2014**. The results will also be communicated to the stock exchange where the shares of the Company are listed.

*Sonia Khenduja*  
INDIAN OIL CORPORATION LIMITED  
NEW DELHI



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NO.3

#### **Appointment of Mr. Rajeev Kumar Gupta as a Director**

Mr. Rajeev Kumar Gupta was appointed as an Additional Director on 17<sup>th</sup> July, 2014 on the Board of the Company to hold office up to the date of this Annual General Meeting. The Company has received a notice in writing from him proposing his candidature for the office of Director.

#### **Information about the appointee**

Mr. Rajeev Kumar Gupta is 43 years old and a member of the Institute of Cost and Works Accountants of India and doing practice as a Cost Accountant in New Delhi and has an experience of over 17 years in the field of finance. He is a man with great vision supported by strong determination and zeal for identifying potential projects. He has a good exposure of running financial businesses. He is bestowed with high degree of knowledge and expertise while handling complex issues and is renowned for limitless dedication when it comes to being a part of team.

#### **Brief Resume:**

<b>Name</b>	Rajeev Kumar Gupta
<b>Age</b>	43 Years
<b>Residential Address</b>	Plot No-127, First Floor, Sector-5, Vaishali, Ghaziabad-201010
<b>Qualification</b>	CWA
<b>Experience</b>	Experience of over 17 years in the field of finance

The Board of Directors of the Company believes that his vast experience and expertise will prove beneficial to the Company and will help to achieve its vision and mission.

Therefore, the Directors of your Company recommend the aforesaid resolution for your consideration and approval.

Mr. Rajeev Kumar Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

None of the Directors except, Mr. Rajeev Kumar Gupta, is, in any way, concerned or interested in the proposed resolution.

### ITEM NO.4

#### **Appointment of Mr. Rajeev Kumar Gupta as Managing Director:**

With the enactment of the Companies Act, 2013, it has become mandatory for the Company to appoint a Managing Director who shall hold the position of a Key Managerial Personnel in the Company pursuant to the provisions of Section 203. Also keeping in view the management's outlook towards increasing the scale of operations of the Company and the current scenario of the Company in which it is making endeavors to get listed on Bombay Stock Exchange, it becomes necessary for the Company to have a whole time executive on its Board who will look after the overall functioning of the Company, will be assuming full accountability to the Board for all the operations and shall also be responsible for formulating and successfully implementing the policies of the Company.





On recommendation of the Remuneration Committee of the Company, the Company has decided to appoint Mr. Rajeev Kumar Gupta as Managing Director of the Company.

The Board of Directors of the Company believes that his managerial abilities and analytical skills will help the Company in directing its strategies towards its profitable growth and operation and will help the Company walk along the path of success and achieve its vision and mission.

Therefore, the Directors of your company recommend the aforesaid resolution for your consideration and approval.

None of the Directors, except Mr. Rajeev Kumar Gupta, is, in any way, concerned or interested in the proposed resolution.

**Terms & Conditions of Appointment and Remuneration:**

The terms & conditions of Appointment of Mr. Rajeev Kumar Gupta are as under:

1. He shall hold his office for a term of five years from the date of appointment. However, the Board (powers vested in Remuneration Committee) as well as the proposed Managing Director would be at free will to terminate the office before the said period upon giving reasonable explanations to the effect. The Nomination & Remuneration Committee shall be obligated to conduct a thorough enquiry and give the proposed MD a reasonable opportunity of being heard prior to termination of his office.
2. He shall not be liable to retire by rotation.
3. He shall not be eligible to draw any remuneration from the Company in the capacity of Managing Director.
4. The Managing Director will perform his duties as such with regard to all work of the Company and he will manage & attend to such business and carry out the orders and direction given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may be given.
5. The Managing Director and shall abide by the provisions contained in section 166 of the Act with regard to duties of directors.
6. The Managing Director shall adhere to the Company's Code of Business Conduct & ethics for Directors and Management Personnel.

**ITEM NO.5**

**Appointment of Mrs. Sarita Gupta as a Director**

Mrs. Sarita Gupta was appointed as an Additional Director on 17<sup>th</sup> July, 2014 on the Board of the Company to hold office up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from her proposing her candidature for the office of Director.

**Information about the appointee:**

Mrs. Sarita Gupta is 42 years old. She is a graduate in commerce and is having good experience spanning over 10 years in the field of administration. She plays a key role in implementation of the business plans as

well as conceptualization of all the new projects formulated by Board of Directors.

**Brief Resume:**

<b>Name</b>	Mrs. Sarita Gupta
<b>Age</b>	42
<b>Address</b>	D- 158, Pushpanjali Enclave, Pitampura, New Delhi-110035
<b>Qualification</b>	B.Com
<b>Experience</b>	10 years in the field of administration.

Mrs. Sarita Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Board of Directors of the Company believes that her knowledge and experience will prove beneficial to the Company in realizing its long term goals.

Therefore, your Directors recommend the aforesaid resolution for your consideration and approval.

None of the Directors, except Mrs. Sarita Gupta, is concerned or interested in any manner in the proposed resolution.

**ITEM NO. 6**

**Appointment of Ms. Renu as a Director**

Ms. Renu is 33 years old. She is a MBA professional having a rich experience of 12 years. She is presently holding Directorship in 4 Companies viz. Bhola Shri Marketing Private Limited, M/s Europa Digital Limited, M/s Roundrecruit Private Limited and M/s AK Designers Studio Private Limited.

**Brief Resume:**

<b>Name</b>	Renu
<b>Age</b>	33 years
<b>Address</b>	H-3/197, Kuwar Singh Nagar, Najafgarh Road, Nangloi, Delhi-110041
<b>Qualification</b>	MBA
<b>Experience</b>	12 years

Ms. Renu is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Board of Directors of the Company believes that her knowledge and experience will prove beneficial to the Company in realizing its long term goals.

Therefore, your Directors recommend the aforesaid resolution for your consideration and approval.

None of the Directors, except Ms. Renu, is concerned or interested in any manner in the proposed resolution.





## ITEM NO. 7 & 8

### **Appointment of Mr. Ankur Sharma and Sanjeev Kumar as Independent Directors:**

Mr. Ankur Sharma and Mr. Sanjeev Kumar are Independent Directors of the Company whose period of office was liable to retire by rotation at the Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. However as per the current provisions of the Companies Act, 2013 Rules made there under & amended Clause 49 of the Listing Agreement, the Independent Directors are not liable to retire by rotation and required to be appointed by shareholders. Therefore, it is proposed to appoint Mr. Ankur Sharma and Mr. Sanjeev Kumar as an Independent Directors of the Company for the term of five consecutive years up to the conclusion of 34<sup>th</sup> AGM.

Mr. Ankur Sharma and Mr. Sanjeev Kumar are not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Directors.

In the opinion of the Board, Mr. Ankur Sharma and Mr. Sanjeev Kumar fulfil the conditions specified in the Companies Act, 2013 and rules made there under for their appointment as Independent Directors.

### **Information about the appointees:**

#### **Mr. Ankur Sharma**

Mr. Ankur Sharma is 23 years old. He is Bachelor of Commerce and has a good exposure of finance. He has good financial skills and expertise and is also holding Directorship in M/s ICVL Chemicals Limited, a BSE listed Company.

Therefore, your Directors recommend the said resolution for Member's approval by way of an ordinary Resolution.

None of the Directors, except Mr. Ankur Sharma, is concerned or interested in any manner in the proposed resolution.

#### **Mr. Sanjeev Kumar**

Mr. Sanjeev Kumar is 35 years old. He is having good experience in Financial Sector.

Therefore, your Directors recommend the said resolution for Member's approval by way of an ordinary Resolution.

Mr. Sanjeev Kumar is also holding directorship in M/s Mahavir Industries Limited.

None of the Directors, except Mr. Sanjeev Kumar, is concerned or interested in any manner in the proposed resolution.

## ITEM NO. 9

### **Approval of Borrowing Limits of the Company:**

In order to meet the working capital requirements post open offer and change in control and management of the Company and in suppression to all the resolutions passed earlier by the Company with respect to the borrowing powers of the Board of Directors, it is proposed to enhance the borrowing limits pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 to the tune of Rs. 2 Crores.



Section 180(1)(c) of the Companies Act, 2013, effective from 12th September, 2013, requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution.

Approval of members is being sought to borrow money up to the limit of **Rs. 2 Crores (Rupees Two Crores)** in excess of the aggregate of the paid up share capital and free reserves of the Company. The resolution is accordingly recommended for approval by the members of the Company as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives is concerned or interested in any manner in the proposed resolution.

#### **ITEM NO. 10**

##### **Approval for Creation of Charge/ Mortgage on the Assets of the Company**

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013, the consent of the members by a special Resolution is necessary to lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. Since mortgaging by the Company of its movable or immovable properties in favour of various Financial Institutions/ Banks etc. for availing terms loan/other secured borrowings is regarded as disposal of the Company's properties /undertakings, it is necessary for the members to pass the Resolution under Section 180(1)(a) of the Companies Act, 2013 by way of Special Resolution.

Accordingly, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of security up to limit specified in the resolution passed under Section 180(1)(c) of the Companies Act, 2013.

The Board of Directors recommend the above resolution for your approval as a Special Resolution.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

**For and on behalf of the Board of Directors  
M/s Panafic Industrials Limited**



*Sarita Gupta*

**Sarita Gupta  
Chairperson**

**DIN: 00113099**

**D-158, Pushpanjli Enclave,  
Pitam Pura, Delhi- 110034**

**Place: Delhi**

**Date: 06<sup>th</sup> September, 2014**





# Panafic Industrials Ltd.

Regd. Off.: 23, 11nd Floor, North West Avenue, Club Road,  
West Punjabi Bagh, New Delhi-110026  
Ph. : 011-64909998  
E-mail : panafic.industrials@gmail.com  
Website: www.panaficindustrialsltd.com  
CIN: L45202DL1985PLC019746

## DIRECTORS REPORT

To  
The Members  
**Panafic Industrials Limited**

Your Directors are pleased to present the **29<sup>th</sup> Annual Report** on the business operations and financial performance of the company for the financial year ended on 31<sup>st</sup> March 2014.

### FINANCIAL RESULTS

( In Lacs)

Particulars	For The Year Ended	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Sales/ Operating Income	71.96	380.98
Other Income	0.10	4.00
<b>Total Revenue</b>	<b>72.06</b>	<b>384.98</b>
Expenses:-		
Purchase of Stock in trade	-	320.13
Changes in Inventory of Stock -in-Trade	27.94	49.95
Employee Benefit Expenses	25.99	2.75
Depreciation and Amortisation Expenses	-	-
Administrative & Other expenses	14.24	2.24
Contingent Provision For Standard Assets	(2.63)	1.19
<b>Total Expenses</b>	<b>65.54</b>	<b>376.26</b>
Profit Before Tax	6.52	8.71
Less: Current Tax	3.10	0.26
Deferred Tax	(0.53)	-
Prior Period Tax Adjustment	1.59	-
<b>Profit/(Loss) After Tax</b>	<b>2.36</b>	<b>8.45</b>

### BUSINESS REVIEW

Financial year 2013-14 concluded with a Net Profit of **Rs. 2, 35,807/-** for the company which is Rs. 6, 09,651/- short from the previous financial year 2012-13. The declining profitability could be attributed to change in the business trends and economic environment. However, your directors are continuously endeavouring to improve the performance of the Company in future. In the current financial year 2014-15, the Company seeks to explore new avenues of business opportunities and thereby striving to improve its profitability. Sincere efforts are being made at all levels of the organization to cut costs and also to keep the expenses in check despite the inflationary tendencies of the market. Barring unforeseen circumstances, we expect better performance in the current year.

## **TRANSFER TO RESERVES IN TERMS OF SECTION 45-IC OF THE RESERVE BANK OF INDIA ACT, 1934**

In order to ensure compliance with Section 45-IC of the Reserve Bank of India Act, 1934, the Company has, for the financial year ended 31st March, 2014, transferred Rs. 96,112/- in respect of current year's profit and the deficit of Rs. 48,951/- pertaining to earlier years to Statutory Reserve Fund from General Reserve. The total amount accumulated in Statutory Reserve Fund is Rs. 2, 65,204/- on 31<sup>st</sup> March, 2014.

## **DIVIDEND**

The Company is having distributable profits in terms of provisions of Section 123 of Companies Act, 2013 for the Financial Year 2013-14. The management intends to retain its funds for re-investing in some profitable projects in the future and also for meeting its working capital requirements and expansion prospects. Therefore, no dividend has been recommended by the Board for the said financial year.

## **DISCLOSURES UNDER SECTION 217(1)(d) OF THE COMPANIES ACT, 1956**

### ***Change in Control and Management of the Company***

*The Company entered into a Share Purchase Agreement dated 12<sup>th</sup> March, 2014 with Mr. Rajeev Kumar Gupta and Mrs. Sarita Gupta (hereinafter collectively referred to as "the Acquirers") whereby the Acquirers who collectively held 2.10% of the paid up share capital of the Company, agreed to further acquire 13,750 Equity Shares of Rs. 10/- each from the old promoters, constituting 0.17% of paid-up share capital and complete Management Control there from. Consequently, the Company had undergone the process of "Open Offer" under Regulation (4) of SEBI SAST Regulations, 2011 which concluded on 8<sup>th</sup> July, 2014.*

*Thereafter, Mr. Rajeev Kumar Gupta and Mrs. Sarita Gupta were appointed as Additional Directors on the Board of the Company in its Board Meeting held on 17<sup>th</sup> July, 2014.*

### ***Application to BSE for Direct Listing***

*Your Company is presently listed on Delhi Stock Exchange which like all other Regional Stock Exchanges, is on the verge of getting derecognised by SEBI. In such a scenario, the management of the Company has considered to go for direct listing of the shares of the Company on Bombay Stock Exchange, under a scheme launched by BSE for the purpose and has also made an application to BSE in this respect on 17<sup>th</sup> July, 2014. We are hopeful that our Company will be a BSE Listed Company very soon and our shareholders will enjoy a higher degree of liquidity of their shares thereafter.*

### ***Appointment of Company Secretary and Change of Compliance Officer***

*The Companies Act, 2013 has mandated the appointment of Company Secretary in all listed Companies. Therefore, Ms. Devika Sharma, a member of the Institute of Company Secretaries of India, was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 17<sup>th</sup> July, 2014 upon recommendation and approval by the Remuneration Committee and the Board.*

### ***Shifting of Registered Office of the Company***

*Consequent to change in management of the Company, the registered office of the Company has also been shifted from '4566/13, Jai Mata Market, Tri Nagar, Delhi-110035' to 23, II Floor, North West Avenue, Club Road, West Punjabi Bagh, Delhi- 110026, w.e.f. 17<sup>th</sup> July, 2014.*





### **Appointment of Internal auditor and CFO**

The Companies Act, 2013 has mandated the appointment of Internal Auditor and Chief Financial Officer in the Company. Accordingly, the Company has appointed Ms. Devika Sharma as an Internal Auditor and Mrs. Sarita Gupta as the CFO of the Company in the Board Meeting held on 6<sup>th</sup> September, 2014.

### **Raising of Funds through Preferential Allotment of Shares**

The Members at the Annual General Meeting held on 30<sup>th</sup> September, 2013 passed an ordinary resolution for increasing the authorized share capital of company to Rs. 1,00,00,000/- (Rupees Ten Crores only).

Thereafter, in the same meeting, the Members passed a special resolution thereby approving the issue and allotment of 7,470,000 Equity Shares of Rs. 10/- each at a price of Rs.10/- per share on preferential basis. In this regard, the Company received In- Principal approval from Delhi Stock Exchange vide letter dated 4<sup>th</sup> February, 2014. Thereafter, 74,70,000 equity shares were allotted at the Board Meeting held on 4<sup>th</sup> February, 2014.

Further, the shares got listed on the Delhi Stock Exchange on 5<sup>th</sup> March, 2014 and finally the trading approval was granted by the exchange on 13<sup>th</sup> of May, 2014.

Presently, the authorized share capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 Equity Shares of Rs. 10/- each and the issued, subscribed and paid up share capital of the Company has increased from Rs. 74,25,000/- (Rupees Seventy Four Lac Twenty Five Thousand Only) divided into 7,42,500 Equity Shares of Rs. 10/- each to Rs. 8,21,25,000/- (Rupees Eight Crore Twenty One Lacs Twenty Five Thousand Only) divided into 82,12,500 Equity Shares of Rs. 10/- each.

### **PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposit from public within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. Also, pursuant to the provisions of Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, as amended time to time, the Board of Directors of the Company have re-confirmed in the Board Meeting held on 7<sup>th</sup> April, 2014, that the Company had neither accepted any public deposits in the past nor it was holding any public deposits on the date of that Board Meeting and that the Company will not accept any public deposits in future without prior written permission of Reserve Bank of India

### **STATUTORY AUDITORS**

M/s RSAV & Company, Chartered Accountants (previously known as Saurav Abhinaya & Co.), having its Office at 133, First Floor, Lane No.- 1, Westend Marg, Saidulajab, IGNOU Road, Saket, New Delhi- 110030, who served as Statutory Auditors of the Company for past many years, resigned from the position w.e.f. 30<sup>th</sup> April, 2014, expressing their inability to continue as the Statutory Auditors of the Company. In order to fill the casual vacancy caused by resignation of the previous Auditors, M/s Rohit Suri & Associates, Chartered Accountants, 7 Sharda Niketan, Pitampura, New Delhi-110034, were appointed as Statutory Auditors with the approval of shareholders of the Company by way of ordinary resolution passed in its Extra Ordinary General Meeting held on 3<sup>rd</sup> of May, 2014 to hold the office as Statutory Auditors of the Company from the conclusion of the said general meeting until the conclusion of the ensuing Annual General Meeting (AGM) of the Company.





**M/s Rohit Suri & Associates, Chartered Accountants**, will retire at the ensuing Annual General Meeting and being eligible, have offered themselves for the re-appointment to hold office for a term of 5 years. A certificate to the effect that their re-appointment if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and Rule-4 of the Companies (Audit and Auditors) Rules, 2014 has also been furnished by them.

The Board recommends their appointment as Statutory Auditors of the Company from the Financial Year 2014-15 to 2018-19 subject to ratification by members of the Company by passing ordinary resolution at every Annual General Meeting.

### **AUDITORS' OBSERVATION**

The Auditors Report has been annexed with this report; Auditors' observations are self explanatory, which do not call for any further clarifications.

### **DIRECTORS**

Since the conclusion of the previous Financial Year 2013-14 and up to the date of preparation of this Board Report, Mr. Virendra Kumar Gupta, Mr. Ashwani Kumar Salwan and Mr. Braj Mohan Singh, the Directors of the Company resigned from the position of Director w. e. f 17<sup>th</sup> July, 2014.

Mr. Rajeev Gupta and Mrs. Sarita Gupta were appointed on the board as an Additional Directors w.e.f. 17<sup>th</sup> July, 2014, to hold office up to the date of this Annual General Meeting, and in whose respect, the Company has received a notice in writing proposing their candidature for the office of Director, are proposed to be regularized as Directors subject to shareholder's approval in the ensuing Annual General Meeting.

None of the Directors of the Company are disqualified under the provision of Section 164 and 165 of the Companies Act, 2013 as applicable on the date of this Directors' Report.

***As on date of this report, the composition of Board is as follows:***

S. No.	Name of the Director	DIN	Designation	Date of Appointment	Date of Cessation
1.	Mr. Ankur Sharma	06625403	Director	09/07/2013	-
2.	Mr. Sanjeev Kumar	06625416	Director	09/07/2013	-
3.	Mr. Rajeev Kumar Gupta	01735427	Additional Director	17/07/2014	-
4.	Mrs. Sarita Gupta	00113099	Additional Director	17/07/2014	-

The Company has been very recently acquired by Mr. Rajeev Gupta & Ms. Sarita Gupta. Consequently, the entire composition of the board is under transition phase. Therefore, the company is in process of re-constituting its board in compliance with clause 49 of the listing agreement and the Companies Act, 2013.

### **COMMITTEES**

The Board of Directors has constituted three Committees of the Board - the Audit Committee, the Investor's/Shareholder's Grievance Committee & Remuneration Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Signed minutes of the Board Committee

*Sarita Gupta*



meetings are placed in the Board Meetings for information of the board. The role and composition of these Committees, including the number of meetings held during the financial year have been provided in Corporate Governance Report which forms part of this report.

#### **EXTRAORDINARY GENERAL MEETING**

No Extra Ordinary General Meeting was held during the year 2013-2014.

#### **LISTING AGREEMENT COMPLIANCES**

Your Directors are pleased to inform you that during the year under review all compliances related to listing agreement with the Delhi Stock Exchange have been duly complied with. However, there has been a change in management of the Company pursuant to the completion of Open Offer, consequent to which Company is in process of re-constituting its Board in accordance with Clause 49 of the Listing Agreement.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under sub-section (2AA) of Section 217 of the Companies Act 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In preparation of Annual Accounts, the applicable accounting standards to the extent applicable, has been followed.
- ii. 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 as at 31<sup>st</sup> March 2014 and of the profit of the company for the year ended on that date.
- iii. The Directors has 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
- iv. The Directors have prepared the annual accounts of Company on a 'going concern' basis.

#### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable. Apart from that, there were no foreign exchange earnings or outgo of the company during the year under report.

#### **PARTICULARS OF EMPLOYEES**

None of the Employees of the Company was in receipt of remuneration, which was more than the limits as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence no particulars are required to be disclosed in this Report.

#### **HUMAN RESOURCE DEVELOPMENT**

The Company believes that its people are the key differentiators, especially in the current knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of





people requirements is an ongoing process. The Board of Directors of your company would like to place on record their sincere appreciation for the efforts and contribution made by all the employees of the Company in realizing the targeted projects of the Company. Your Directors take this opportunity to thank all employees for rendering impeccable services to every constituent of Company, customers and shareholders.

**APPRECIATION**

Your Directors wish to take this opportunity to offer sincere appreciation and acknowledge with gratitude the support and co-operation extended by the clients, vendors, bankers, registrar and share transfer agent, business associates, financial institutions, media and their agencies and look forward to their continued support and assistance. We place on record our appreciation of the contribution made by our employees at all levels. We look forward for such continued hard work, solidarity, cooperation and support.

The Board of Directors also wishes to place on record its gratitude for the faith reposed in the Company by the Securities and Exchange Board of India, the Reserve Bank of India and the Government of India.

**For and on behalf of the Board of Directors  
M/s Panafic Industrials Limited**



*Sarita Gupta*

**Sarita Gupta  
Chairperson**

**DIN: 00113099**

**D-158, Pushpanjli Enclave,  
Pitam Pura, Delhi- 110034**

**Place: Delhi**

**Date: 06<sup>th</sup> September, 2014**



# Panafic Industrials Ltd.

Regd. Off.: 23, IInd Floor, North West Avenue, Club Road,  
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Ph. : 011-64909998

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Website: www.panaficindustrialsltd.com

CIN: L45202DL1985PLC019746

## REPORT ON CORPORATE GOVERNANCE

The concept of Corporate Governance has been made mandatory for all companies having paid up capital of Rs. 3 Crores or more or net worth of Rs. 25 Crores or more at any time in the history of the company through Clause 49 of the Listing Agreement in order to make management accountable to the shareholders for protection of their interest and effective management of the companies in the interest of the Company.

The said Clause 49 of Listing Agreement became applicable on the Company with effect from 4<sup>th</sup> February, 2014 consequent to the increase in paid up share capital of the company to Rs. 8, 21, 25,000/- (Rupees Eight Crores Twenty One Lacs and Twenty Five Thousand only) as a result of allotment of 74, 70,000 Equity Shares of Rs. 10/- each on preferential basis.

Your Company has made every effort to comply with the provisions of the Corporate Governance and to see that the interest of the Shareholders and the Company are properly served. Presently, the Company is in compliance of all the mandatory requirements regarding corporate governance as stipulated under the listing agreement. It has always been the Company's endeavor to excel through better Corporate Governance and fair & transparent practices, many of which have already been in place even before they were mandated by the law of land.

The management of Company believes that it will further enhance the level of Corporate Governance in the Company.

We are presenting before you the position of Corporate Governance in the Company as on the date of this report:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. Good corporate governance is a pre-requisite for enhancing shareholder's long-term value. These practices are categorized through principle based standards and not just through a framework enforced by regulation. A sound governance process consists of various business practices, which not only result in enhanced shareholders' value in the long run but also enables the Company

*Satagupta*





to fulfill its obligations towards its customers, employees, vendors and to the society in general.

The Company's policies and practices are always aimed at efficient conduct of business and effectively meeting its obligations to shareholders. The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Through the Governance mechanism in the company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency fair play and independence in its decision making. Company's thrust on transparency, integrity, accountability and disclosure has enabled it to accomplish best Corporate Governance practices. The long term strategic objectives and the Code of Conduct which articulates the values, ethics, and business principles and serves as a guide to the company, its directors and employees and an appropriate mechanism to report any concern pertaining to non-adherence to the said Code and addressing the same is also in place.

Panafic Industrials Limited firmly believes that good corporate practices underscore its drive towards competitive strength and sustained performance.

## **2. BOARD OF DIRECTORS:**

### **2.1 COMPOSITION OF BOARD**

The Board of Directors consists of an optimal mix of Executive and Non-Executive Independent Directors possessing in-depth knowledge of business. Presently, the strength of the Board is 4 Directors comprising of 1 Executive Director and 3 Non-Executive Directors. The Board of Directors consists of professionals drawn from diverse fields who are constantly serving the Company through their sincere and dedicated efforts directed towards taking the company on the path of success.

Half of the Board comprise of Non-Executive and Independent Directors. 'Independent Directors' i.e. Directors who apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its directors, its management or its subsidiaries, which, in the judgment of the Board, may affect the independence of judgment of the Director.

The size and composition conforms to the requirements of Clause 49 of the listing agreement entered with Delhi Stock Exchange.

The Board of Directors of the Company presently comprises of the following persons:



S. No.	DIN	Name of the Director	Residential Address	Date of Appointment	Designation
1.	00113099	Sarita Gupta	D-158, Pushpanjali Enclave, Pitampura, New Delhi-110034	17/07/2014	Non-Executive Director and Chairman
2.	01735427	Rajeev Kumar Gupta	Plot No. 127, First Floor, Sector-5, Vaishali, Ghaziabad, Uttar Pradesh-201010	17/07/2014	Executive Director
3.	06625403	Ankur Sharma	House No-598, Basi-2, P.S.-Khekda, Tehsil-Khekda, Bagpat, Uttar Pradesh, 201101	09/07/2013	Non-Executive Independent Director
4.	06625416	Sanjeev Kumar	Village Nithari Baer, Bulandshahar, Uttar Pradesh-203201	09/07/2013	Non-Executive Independent Director

The strength of the Board of Directors as on 31<sup>st</sup> March, 2014 was five, of which one was an Executive Director.

Category	No. of Directors	Percentage %
Executive Directors	1	20.00
Non-Executive Directors	1	20.00
Non-Executive Independent Directors	3	60.00
<b>Total</b>	<b>5</b>	<b>100.00</b>

## 2.2 DIRECTORS' ATTENDANCE RECORD AND DETAILS OF DIRECTORSHIPS/ COMMITTEE MEMBERSHIP HELD

The constitution of the Board, the attendance of the Directors at the Board Meetings and last Annual General Meeting and number of Directorships/Committee Membership held by them during the Financial Year 2013-2014 is provided herein below:





Name of the Directors	Category	No. of Equity Shares Held	No. of Board Meetings attended during Financial Year 2013-2014	Whether previous AGM attended or not	No. of other Directorship In other public Companies**	No. of other Committee positions as members and Chairman/Chairperson
Ashwani Kumar Salwan	Chairman and Executive Director	10550	14	Yes	Nil	NIL
Virender Gupta	Independent/Non-Executive Director	NIL	14	Yes	1	NIL
Braj Mohan Singh	Independent/Non-Executive Director	NIL	05	No	5	4
Mr. Ankur Sharma*	Independent/Non-Executive Director	NIL	06	No	1	NIL
Mr. Sanjeev Kumar*	Independent/Non-Executive Director	NIL	11	Yes	1	3

\* None of the Directors on the Board is a member in more than 10 Committees and Chairman of more than five Committees, across all the Companies in which he is a Director.

\*During the year Mr. Ankur Sharma and Mr. Sanjeev Kumar were appointed as Directors of the Company w.e.f. 9<sup>th</sup> July, 2013.

\*\* Excluding private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (i.e. associations not carrying on business for profit or which prohibits payment of dividend).

*Sanjeev Kumar*





### 2.3 BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2013-14

Fourteen Board Meetings were held during the year 2013-2014 and the gap between two meetings did not exceed four months. The details of which are as follows:

Serial No.	Date of Board Meeting
1	30 <sup>th</sup> April, 2013
2	11 <sup>th</sup> May, 2013
3	09 <sup>th</sup> July, 2013
4	18 <sup>th</sup> July, 2013
5	10 <sup>th</sup> August, 2013
6	13 <sup>th</sup> August, 2013
7	03 <sup>rd</sup> September, 2013
8	18 <sup>th</sup> October, 2013
9	14 <sup>th</sup> November, 2013
10	18 <sup>th</sup> December, 2013
11	23 <sup>rd</sup> January, 2014
12	4 <sup>th</sup> February, 2014
13	14 <sup>th</sup> February, 2014
14	31 <sup>st</sup> March, 2014

### 2.4 BOARD'S FUNCTIONING AND PROCEDURE

The Company has defined the procedures for meetings of the Board of Directors and Committees thereof so as to facilitate decision making in an informed and efficient manner. The Board of "Panafic Industrials Limited" plays a pivotal role in ensuring good governance. The Members of the Board have always had complete freedom to express their opinion and decisions are taken on the basis of a consensus arrived at after detailed discussion. The Board Members are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

The agenda is circulated well in advance to the Board Members. The items in the agenda are backed by comprehensive background information to enable the Board to take



appropriate decisions. The Board is kept informed of major events/ items and approvals taken wherever necessary. The Chairman keeps the Board apprised of the overall performance of the Company.

## **2.5 CODE OF CONDUCT**

The Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board which is in line with the provisions of Clause 49 of the Listing Agreement. In line with the amended Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for its Directors and Senior Executives. The same has also been placed on the Company's website [www.panaficindustrialsltd.com](http://www.panaficindustrialsltd.com) under the head 'Investor Relations'.

The Board of Director has affirmed the compliance with the Code of Conduct of the Company. A Declaration to this effect has been obtained from Mr. Sanjeev Kumar and forms part of this Annual Report.

## **3. COMMITTEES OF THE BOARD**

The Board has constituted three committees of the Board – the Audit Committee, the Remuneration Committee and the Shareholders'/ Investors' Grievance Committee.

The Remuneration Committee has been constituted w.e.f. 10<sup>th</sup> of May, 2014, after being made mandatory under the provisions of Companies Act, 2013.

The role and composition of these Committees, including the number of the meetings held are as follows:

### **3.1 AUDIT COMMITTEE:**

As on date of this report, the Audit Committee comprises of 3 Directors, out of which 2 are Non-Executive and Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director. All the Members of the Committee are financially literate having financial and accounting knowledge. The minutes of the Audit Committee Meetings are placed before subsequent Board Meeting. Quarterly and Annual Accounts is reviewed by the Audit Committee, prior to their presentation to the Board. Besides, Audit Committee will be authorized to exercise all such powers as are required under amended Clause 49 of the Listing Agreement.

The Audit Committee of the Board, interalia, provides reassurance to the board on the existence of an effective internal control environment that ensures:





- Efficiency and effectiveness of the operations;
- Safeguarding of the assets;
- Reliability of financial and other management information;
- Compliance with relevant national laws and regulation;

The Audit Committee is empowered to, pursuant to these terms of reference, inter alia, to:

- Investigate any activity within its terms of reference and to seek information from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Audit Committee is entrusted with the responsibility to supervise the company's financial control and reporting process and inter alia performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending appointment and removal of statutory auditors, fixation of audit fee and approval of payment of fees for any other services.
- Reviewing with the management, the periodical financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub section (2AA) of Section 217 of the Companies Act, 1956.
  - Qualification in the draft audit report
  - Significant adjustments arising out of audit
  - Compliance with legal requirements concerning financial statements
  - Related party transaction;
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purpose other than those stated in the offer document/prospectus, notice and report submitted by the monitoring agency monitoring the utilization of the proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

*Santosh Kumar*



- Reviewing the adequacy of the Internal audit function , including the structure of internal audit department , staffing and seniority of the official heading the department , reporting structure , coverage and frequency of internal audits ;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer documents / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing reports of internal audit and discussion with internal auditors on any significant findings and follow up thereon ;
- Reviewing the findings of any internal investigations by the internal auditors and the executive management's Response on matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board ;
- Discussion with statutory auditors , before the audit commences , on nature and scope of audit as well as after conclusion of audit to ascertain any areas of concern and review the comments contained in their management letter ;
- Reviewing the Company's financial and risk management policies ;
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function) after assessing the qualifications, experience and background, etc. of the candidate.
- Considering such other matters as may be delegated by Board from time to time.

### **Composition, Name of Members and Chairman**

The Audit Committee has been re-constituted and presently comprises of following Directors:

<b>S. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Nature of Directorship</b>
1.	Mr. Rajeev Kumar Gupta	Member and Director	Executive Director
2.	Mr. Sanjeev Kumar	Chairman of the Committee	Non - Executive Independent Director
3.	Mr. Ankur Sharma	Director	Non - Executive Independent Director

The strength of the Audit Committee as on 31<sup>st</sup> March, 2014 was three:





Category	No. of Directors	Percentage %
Executive Directors	1	33.33
Non-Executive Independent Directors	2	66.67
<b>Total</b>	<b>3</b>	<b>100.00</b>

### **Meetings and Attendance during the Year**

Four Audit Committee Meetings were held during the year 2013-2014. The dates on which the said meetings were held are as follows:

S. No.	Date of Meeting	Committee Strength	No. of Members Present
1.	11 <sup>th</sup> May, 2013	3	3
2.	10 <sup>th</sup> August, 2013	3	3
3.	14 <sup>th</sup> November, 2013	3	3
4.	14 <sup>th</sup> February, 2014	3	3

### **3.2 REMUNERATION COMMITTEE:**

The Company has a Remuneration Committee comprising two Independent Directors. The role of Remuneration Committee is to recommend to the Board the compensation package for Director(s) and the Key Managerial Personnel of the Company. While deciding on the remuneration for Directors, the said Committee has to consider the performance of the Company, the current trends in the industry and other relevant factors.

#### **Brief Description of Terms of Reference**

- To appraise the performance of Executive Director and
- To determine and recommend to the Board, compensation payable to Executive Director.
- To consider and approve compensation/remuneration of managerial personnel.

#### **Composition of Remuneration Committee**

The Remuneration Committee presently comprises of following Directors:



S. No.	Name of the Director	Designation	Nature of Directorship
1.	Mr. Sanjeev Kumar	Member and Chairman	Non - Executive Independent Director
2.	Mr. Ankur Sharma	Member	Non - Executive Independent Director

### **Remuneration Policy**

During the Financial Year 2013-2014, no remuneration and sitting fees has been paid to the Executive Directors and Non-Executive Directors respectively.

The Company may pay managerial remuneration by way of salary, perquisites and allowances to Executive Directors within the limit as prescribed under Schedule V of the Companies Act, 2013 and as recommended by Remuneration Committee, subject to the approval of the Board and of the shareholders in General Meeting and such other statutory approvals as may be deemed necessary in accordance with the agreements entered into between them and the Company.

### **3.3 SHAREHOLDER'S/ INVESTOR GRIEVANCE COMMITTEE:**

#### **Constitution of the Committee**

As on date of this report, the Investor Grievance Committee constituted by the Board comprises of three members with Mrs. Sarita Gupta, a Non-executive Director as Chairman of the Committee. The constitution of Investor Grievance Committee as on date is as follows:

S. No.	Name of the Director	Designation	Nature of Directorship
1.	Mrs. Sarita Gupta	Chairperson	Non-Executive Director
2.	Mr. Sanjeev Kumar	Member	Non-Executive Independent Director
3.	Mr. Ankur Sharma	Member	Non-Executive Independent Director

The scope and functions of the Committee includes approval of transfer/transmission of shares and other matters like consolidation/ split of certificates, issue of duplicate share certificates, dematerialization/ rematerialization of shares in stipulated period of time. The committee is constituted in terms of the mandatory requirement under Clause 49 of the Listing Agreement to specifically look into the redressal of investor complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends etc.



As on March 31, 2014, no complaints were pending from the shareholders of the Company.

### Compliance Officer

Ms. Devika Sharma, has been appointed as the Company Secretary of the Company w.e.f. 17<sup>th</sup> July, 2014 and has also been designated as the Compliance Officer of the Company as required under Listing Agreement, in place of Mr. Sanjeev Kumar (previous Compliance Officer of the Company).

#### 4. DETAILS ON GENERAL MEETINGS:

a). Venue, Date and Time of last three Annual General Meetings:

<p><b>26<sup>th</sup> AGM for the Financial Year 2010-11:</b></p> <ul style="list-style-type: none"> <li>➤ <b>Date</b></li> <li>➤ <b>Time</b></li> <li>➤ <b>Venue</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ 29<sup>th</sup> September, 2011</li> <li>✓ 10.30 A.M.</li> <li>✓ 4566/13, Jai Market, Trinagar, New Delhi - 110035.</li> </ul>	<p><b>No Special Resolution passed at the Meeting</b></p>
<p><b>27<sup>th</sup> AGM for the Financial Year 2011-12:</b></p> <ul style="list-style-type: none"> <li>➤ <b>Date</b></li> <li>➤ <b>Time</b></li> <li>➤ <b>Venue</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ 29<sup>th</sup> September, 2012</li> <li>✓ 10.30 A.M.</li> <li>✓ 4566/13, Jai Market, Trinagar, New Delhi - 110035.</li> </ul>	<p><b>No Special Resolution passed at the Meeting</b></p>
<p><b>28<sup>th</sup> AGM for the Financial Year 2012-13:</b></p> <ul style="list-style-type: none"> <li>➤ <b>Date</b></li> <li>➤ <b>Time</b></li> <li>➤ <b>Venue</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ 30<sup>th</sup> September, 2013</li> <li>✓ 10.00 A.M.</li> <li>✓ 4566/13, Jai Market, Trinagar, New Delhi - 110035.</li> </ul>	<p><b>Special Resolution pursuant to Section 31, 81(1A) of the Companies Act, 1956 was passed w.r.t. the following businesses:</b></p> <ul style="list-style-type: none"> <li>a) Alteration in Articles of Association;</li> <li>b) Preferential Allotment of Equity Shares.</li> </ul>
<p><b>Postal Ballot</b></p>	<p>In the last three AGMs, no resolutions were proposed which required approval by way of Postal Ballot.</p>	

b) No Extra Ordinary General Meeting was held in the preceding three financial years.





## 5. DISCLOSURES:

### 5.1 DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no material transactions with the Promoters or Directors or the management personnel or their relatives, during the year having potential conflicts with the interest of the Company at large.

### 5.2 DETAILS OF NON-COMPLIANCE, PENALTIES, STRICTURES ETC.

Your Company has always been a law compliant company and no penalties or strictures imposed by SEBI or Stock Exchanges or any statutory authority on any matter relating to capital markets, during the last three financial years.

### 5.3 WHISTLE BLOWER POLICY

The Company has adopted a proper procedure in this regard. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. In case of any exigencies, any personnel can directly access the Audit Committee of the Company as well.

## 6. MEANS OF COMMUNICATION

The information about the financial performance of the Company is disseminated on a regular basis through newspapers and website of the Company [www.panaficindustrialsltd.com](http://www.panaficindustrialsltd.com) besides communicating the same to the Stock Exchange.

Further, financial results (Quarterly/Half Yearly/Annually), corporate notices etc. of the Company are published in Business Standard, Pioneer, Financial Express, Hari Bhoomi etc. in accordance with the requirements of the Listing Agreement.

## 7. GENERAL SHAREHOLDER INFORMATION:

i.	<b>Annual General Meeting:</b> <ul style="list-style-type: none"><li>➤ Day and Date</li><li>➤ Time</li><li>➤ Venue</li></ul>	<ul style="list-style-type: none"><li>➤ Tuesday, 30<sup>th</sup> September, 2014</li><li>➤ 11.00 A.M.</li><li>➤ 23, II Floor, North West Avenue, Club Road, West Punjabi Bagh, Delhi- 110026.</li></ul>
ii.	<b>Financial Calendar for 2014-15:</b>	



	<ul style="list-style-type: none"> <li>➤ Accounting Period</li> <li>➤ Un-audited Financial Results for the first three quarters</li> <li>➤ Fourth Quarter Results</li> <li>➤ Annual General Meeting (Next Year)</li> </ul>	<ul style="list-style-type: none"> <li>➤ 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015</li> <li>➤ Announcement within 45 days from the end of each quarter</li> <li>➤ Announcement of Audited Accounts on or before 30<sup>th</sup> May, 2015</li> <li>➤ 30<sup>th</sup> September, 2014 (<i>Tentative</i>)</li> </ul>
iii.	<b>Date of Book Closure</b>	26 <sup>th</sup> September, 2014 to 30 <sup>th</sup> September, 2014 (both days inclusive)
iv.	<b>Dividend payment date</b>	No Dividend has been recommended by the Board of the Directors of the Company for the Financial Year 2013-14.
v.	<b>Listing on Stock Exchanges:</b>	<b>Address</b>
	Delhi Stock Exchange Limited	DSE House, 3/1 Asaf Ali Road, New Delhi - 110002.
<b>Note:</b>		
<ol style="list-style-type: none"> <li>1. During the year, the listing fee for the year 2014-2015 has been paid to Delhi Stock Exchange Limited.</li> <li>2. An application has been made to BSE for direct listing of Equity Shares of the Company on 17<sup>th</sup> July, 2014. We are hopeful that our shareholders will be enjoying the benefits of effective trading of shares of the Company very soon.</li> </ol>		
v.	<b>Registrars and Transfer Agent</b>	Skyline Financial Services Private Limited  D-153A, First Floor, Near-Courtesy Honda City Showroom, Okhla Industrial Area, Phase-I, New Delhi-110020  Ph. No. 011-64732681 to 88, 26812682, 26812683 Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a> Contact Person: Mr. Virender Rana E-Mail: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a> , <a href="mailto:virenr@skylinerta.com">virenr@skylinerta.com</a>

**vii. Share Transfer System:**

A Committee of Directors has been constituted to approve the transfer, transmission, issue duplicate share certificates and allied matters. The Company's Registrar and Share Transfer



Agent (RTA), Skyline Financial Services Private Limited, has adequate infrastructure to process the above matters.

Share Transfer requests are preceded within 15 days of receipt by the RTA. In compliance with the requirement of Listing Agreement, periodic certificates issued by a Practicing Company Secretary are filed with the Stock Exchanges.

**viii. Distribution of Shareholding as on date of this Report:**

Share holding of nominal value (In Rupees)	No. of Share Holders		No. of Equity Shares	
	Total Shares	% to holders	Total Share	% to Capital
upto - 5000	452	86.26	452	0.01
5001 - 10000	0	0.00	0	0.00
10001 - 20000	0	0.00	0	0.00
20001 - 30000	0	0.00	0	0.00
30001 - 40000	0	0.00	0	0.00
40001 - 50000	0	0.00	0	0.00
50001 - 100000	0	0.00	0	0.00
1,00,001 and above	72	13.74	8212048	99.99
<b>TOTAL</b>	<b>524</b>	<b>100.00</b>	<b>8212500</b>	<b>100.00</b>

**Brief Shareholding Pattern as on the date of this Report:**

Category of Shareholders	No. of Shares held	Percentage of shareholding
Promoter and Promoter Group	3,86,250	4.70
NRIs/OCBs/FIIs	-	-
Banks /Mutual Funds/Financial Institutions	-	-
Bodies Corporate	-	-
General Public	78,26,250	95.30
Other: Foreign Bodies Corporate	-	-
Foreign Bodies Corporate	-	-
Trusts	-	-
<b>Total</b>	<b>82,12,500</b>	<b>100.00</b>



#### **ix. Dematerialization of Shares and Liquidity:**

The Company has entered into necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialization of shares held by the investors. As on 31<sup>st</sup> March, 2014, 90.96% shareholding comprising of 74,70,000 Equity Shares of Rs. 10/- each are in dematerialized form.

Demat ISIN: INE655P01011

Shares held with CDSL: 2635000 Equity Shares (32.09%)

Shares held with NSDL: 4835000 Equity Shares (58.87%)

#### **x. Depository Services**

Shareholders may write to our RTA or to their respective Depositories for guidance on depository services.

#### **xi. Address for Correspondence with Depository:**

##### **National Securities Depository Limited**

Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013

Telephone: 022-24994200

Facsimile: 022-24972993/ 24976351

E-mail: [info@nsdl.co.in](mailto:info@nsdl.co.in)

Website: [www.nsdl.co.in](http://www.nsdl.co.in)

##### **Central Depository Services (India) Limited**

Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor, Dalal Street, Mumbai-400 001

Telephone: 022-22723333

Facsimile: 022-22723199/ 222722072

E-mail: [investors@cdslindia.com](mailto:investors@cdslindia.com)

Website: [www.cdslindia.com](http://www.cdslindia.com)

#### **8. MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Report on Management Discussion and Analysis forms part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc., are discussed in the said Report.

*Santa Kumar*





## 9. CERTIFICATION BY CEO

A certificate has been obtained from Chief Executive Officer on the Financial Statements of the Company in terms of Clause 49 of the Listing Agreement and was placed before the Board, who took the same on record.

## 10. COMPLIANCE CERTIFICATE OF THE AUDITORS

The Certificate from the M/s. Rohit Suri and Associates, Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to the Report of Directors.

This Certificate shall be forwarded to the Delhi Stock Exchange along with the Annual Report of the Company.

**For and on behalf of the Board of Directors  
M/s Panafic Industrials Limited**

**Place: New Delhi**

**Date: 06<sup>th</sup> September, 2014**



*Sarita Gupta*

**Sarita Gupta  
Chairperson**

**DIN: 00113099**

**D-158, Pushpanjli Enclave,  
Pitam Pura, Delhi- 110034**



# Panafic Industrials Ltd.

Regd. Off.: 23, IInd Floor, North West Avenue, Club Road,  
West Punjabi Bagh, New Delhi-110026  
Ph. : 011-64909998  
E-mail : panafic.industrials@gmail.com  
Website: www.panaficindustrialsltd.com  
CIN: L45202DL1985PLC019746

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### I. INDUSTRY STRUCTURE AND DEVELOPMENT:

Panafic Industrials Limited is an NBFC and is engaged mainly in the business of providing loans and advances to various Corporates. The main objective of the company is to finance Industrial Enterprises by way of making loans and advances to industrial enterprises in India and to carry out all such activities as may be ancillary to the achievement of main objectives of the company. The industry structure relevant to the Company's operations is mainly concerned with the capital market.

Indian economy is going through a period of rapid 'financial liberalization'. The NBFC sector is undergoing a significant transformation at present and has come to be recognized as an important element of the financial system. Today, the 'intermediation' is being conducted by a wide range of financial institutions through a plethora of customer friendly financial products. RBI has been setting right its regulatory and supervising policies from time to time to keep pace with the changes in the environment. The segment consisting of NBFCs, such as equipment leasing/hire purchase finance, providing loans and investment to other companies, etc. have made great strides in recent years and are meeting the diverse financial needs of the economy. They are being recognized as complementary to the banking sector due to their customer-oriented services, simplified procedures, attractive rates of return on deposits, flexibility and timeliness in meeting the credit needs of specified sector.

### II. OPPORTUNITIES AND THREATS:

Capital markets at present are going through turbulent times due to slow-down in domestic economy, slow-down in reforms, uncertain global economic environment, economic crisis faced by a few countries in Europe, fluctuations in currency rates, etc. Although the inflation has remained steady during the year but it is still under pressure due to hike in petrol prices, burden of diesel subsidies, high fiscal deficit, etc. However, we feel

*Santa Cappa*





that the opportunities will soon arise in the markets upon the corrective policies by the government and better fiscal management which will strengthen the economy.

The NBFC industry holds immense potential and the Government of India's increased focus towards Financial Inclusion has created various opportunities for existing NBFCs to leverage on their established customer base in rural areas.

The fast growth of the economy in recent years has placed increasing demand of finance, working capital, credit facility requirement. The financial sectors have grown rapidly and still growing, recently the Government of India has decided to issue Banking Licenses to the corporate houses that are interested to start banking business. The entry of new players in Banking Sector will increase the competition in this Sector. The above opportunities have also made the Industry highly competitive with the emergence of new category of systematically important NBFCs along with existing local and Multinational players leading to tough competition within the industry. Being an NBFC Company, the Company will also have to face the tuff competition, but the management of the Company believes that the Company will be able to face all the challenges.

Despite of strong competition in this sector the Company is performing well and the management of the Company is very optimistic about the future growth of the Company and expects the growth in profitability in coming years.

Though the management is very optimistic about the future growth of the Group, many factors and assumptions could have an impact on the materialization of the Company's projections, including Economic Conditions, political conditions, regulatory changes, ability to attract and retain qualified personnel and other factors that are beyond its control.

### III. SEGMENT WISE PERFORMANCE:

The Company operates solely in one Geographic segment namely "Within India" and hence no separate information for Geographic segment wise disclosure is required. The company's primary business segment is reflected based on principal business activities carried on by the company. The Company's primary business comprises of financing of loans and dealing in securities. Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.

**Amount (in Rs.)**

Particulars	Financing Activities	Dealing in Securities	Unallocated Others	Total
i) Segment Revenue	4,402,102	2,793,879	10,730	7,206,711
	(2,050,276)	(-960,711)	(400,000)	1,489,566



ii) Segment Results	4,660,512	-2,300	10,730	4,668,942
	(1,931,037)	(-962,756)	(400,000)	(1,368,281)
Less :				
I. Interest				Nil
II. Unallocable Expenditure / (net of unallocable income)				4,021,594
				(496,990)
Less: Taxation				310,000
				(25,833)
<b>Total Profit after Tax</b>				235,807
				(845,458)
iii) Segment Capital Employed	68,781,262	24,615,129	10,132,392	103,528,783
	(173,518,500)	(5,300,542)	(22,111,655)	(200,930,697)
iv) Capital Expenditure	0	-	-	0
	(0)			(0)
v) Depreciation	0	-	-	0
	(0)			(0)
vi) Non cash expenses other than depreciation:				
-Provision for standard assets	171,953 (435,296)	-	-	171,953 (435,296)
<b>Note: Figures shown in brackets indicates previous year amount.</b>				

#### IV. OUTLOOK:

The role of NBFCs has become increasingly important from both the macroeconomic perspective and the structure of the Indian financial system. Over a period of time, one has to accept that it is only those which are big enough and serious about being in the finance business will and must grow.

To survive and constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They have to constantly search for new products and services in order to remain competitive. The coming years will be testing ground for the NBFCs and only those who will face the challenge and prove themselves will survive in the long run.

*Subalynna*





For several years, NBFCs have rapidly emerged as an important segment of the Indian Financial System. The sector is now being recognized as complementary to the banking sector due to the implementation of innovative marketing strategies, introduction of tailor made products, customer-oriented services, attractive rates of return on deposits and simplified procedures.

## V. RISK FACTORS & CONCERNS AND MANAGEMENT PERCEPTION THEREOF:

### A. INTERNAL RISK FACTORS

- a) **Our growth will depend on our ability to provide customized services and failure to do so will adversely affect our ability to compete in the industry.**

#### Management Perception

We believe that promoting and positioning our services in the market is necessary for achieving recognition of our services. Promotion activities may not yield increased revenues and even if they do, increased revenues may not offset the expenses we incur in providing services. If we fail to set up our identity in the market, our business, financial condition and result of operation could be affected.

- b) **Our business is vulnerable to interest rate risk. Changes in interest rate may affect our income from operation and adversely affect our financial performance and profitability.**

#### Management Perception

In our NBFC business, we are exposed to the risk of higher interest rates. If the yield on our Company's interest - earning assets does not increase at the same time or to the same extent as our cost of funds, or our cost of funds does not decline at the same time or to the same extent as the yield on its interest earning assets, our net interest income and net interest margin would be adversely impacted. This could have a material adverse effect on our financial performance.

- c) **Our Company may experience delays in enforcing the collateral when borrowers default on their obligations, which will result in failure to recover the expected**



**value of collateral and affect our financial performance.**

**Management Perception**

Our Company may not be able to realize the full value of the collateral as a result of delays in bankruptcy and foreclosure proceedings, inability to foreclose, defects in the title of collateral, fraudulent transfers by borrowers and other factors which includes legislative changes and judicial pronouncements. The inability to recover the expected value of collateral could expose our Company to losses, which will have impact on business and financial performance.

- d) Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.**

**Management Perception**

The business substantially depends on the continued service of our key personnel. The future growth in our business will also depend on the ability to attract skilled personnel. Our Company could experience difficulty from time to time in hiring the personnel necessary to support our business. In addition, success in expanding the business will also depend, in part, on the ability to attract, motivate and retain highly skilled personnel. Our inability to attract and retain skilled personnel or resignation or loss of key personnel may have an adverse impact on our business and future financial performance.

- e) The changes in the regulations that govern our Company could cause the business to suffer.**

**Management Perception**

NBFCs in India are subject to supervision and regulation by the RBI. Any changes in the regulatory framework affecting NBFCs including the provisioning for NPA, capital adequacy requirements, applicable tax rates could adversely affect the profitability of our business and our future financial performance.

- f) We may require additional funds to satisfy our capital needs, which we may not be able to procure.**

**Management Perception**

*Santosh Kumar*





Our growth is dependent on having a strong balance sheet to support our activities. We may need to raise additional capital from time to time, which we may not be able to procure. Additional capital requirements imposed due to changes in the regulatory regime, new guidelines or significant depletion in our existing capital base due to unusual operating losses or margin pressure from our lending activities also may drive demand for additional financing. We may make further equity offerings in the future and any fresh issue of shares or convertible securities would dilute existing holdings. Moreover, additional funds may not be available on attractive terms and conditions, or at all. Our inability to procure additional funds to support our activities could have an adverse effect on our results of operations.

## **B. EXTERNAL RISK**

### **1. A slowdown in economic growth in India could cause business to suffer.**

#### **Management Perception**

Our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our asset portfolio, the quality of our assets, and our ability to implement our strategy. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting the growth of industrial, manufacturing and services sector. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is rising while that of the industrial, manufacturing and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business.

### **2. Political instability or changes in the government could delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact financial results and prospects.**

#### **Management Perception**

Our Company is subject to various regulations and policies. The Government of India has traditionally exercised and continues to exercise a dominant influence on the Companies registered in India. Our business prospects could be materially affected by



changes in the said regulations and policies. We cannot control or predict the future course of the policies framed by Government of India. Any significant change in the Government's policies or political instability could adversely affect business and economic conditions in India and also adversely affect our Company's business and financial performance.

- 3. Any downgrading of India's debt rating by an independent agency may harm ability to raise debt financing.**

#### **Management Perception**

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on capital expenditure plans, business and financial performance.

- 4. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.**

#### **Management Perception**

Terrorist attacks and other acts of violence or war may negatively affect the Indian financial markets and also adversely affect the worldwide financial markets. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect the business. India has witnessed civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact. Such incidents could also create perception in the minds of investors that, investment in Indian Companies involve a higher degree of risk.

- 5. Natural Calamities could have negative impact on the Indian Economy and Cause our Business to Suffer.**

#### **Management Perception**

*Santakumar*





India has experienced natural calamities such as earthquake, tsunami, flood and drought in the past. The extent and severity of these natural disasters determines their impact on the Indian economy, which have an adverse impact on our business.

#### **VI. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has a proper and adequate system of internal control commensurating with its size and the nature of its business. All the transactions entered into by the Company are duly authorized and recorded correctly. All operating parameters are monitored and controlled. The top management and the Audit Committee of the Board of Directors review the adequacy and effectiveness of internal control systems from time to time.

#### **VII. FINANCIAL PERFORMANCE**

The revenue earned by the Company during the year has reduced to the amount of Rs. 7,206,711/- (Rupees Seventy Two Lacs Six Thousand Seven Hundred and Eleven Only) comprising of Interest Income and Income from sale of shares during the financial year. Further, the Company has earned an overall profit of Rs. 235,807/- and there was no accumulated or cash losses at the end of said financial year.

#### **VIII. HUMAN RESOURCE DEVELOPMENT:**

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of people requirements is an ongoing process. The Board of Directors of your company would like to place on record their sincere appreciation for the efforts and contribution made by all the employees of the Company in realizing the targeted projects of the Company. Your Directors take this opportunity to thank all employees for rendering impeccable services to every constituent of Company, customers and shareholders.

#### **IX. RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management, and the Independent Auditors have noted its contents. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties. Company's operations are affected by many external and internal factors which are beyond the control of the management. Thus the actual situation may differ from those expressed or implied. The



Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

**For and on behalf of the Board of Directors  
M/s Panafic Industrials Limited**



*Sarita Gupta*

**Sarita Gupta  
Chairperson**

**DIN: 00113099**

**D-158, Pushpanjli Enclave,  
Pitam Pura, Delhi- 110034**

**Place: Delhi**

**Date: 06<sup>th</sup> September, 2014**





# Panafic Industrials Ltd.

Regd. Off.: 23, 11nd Floor, North West Avenue, Club Road,  
West Punjabi Bagh, New Delhi-110026  
Ph. : 011-64909998  
E-mail : panafic.industrials@gmail.com  
Website: www.panaficindustrialsltd.com  
CIN: L45202DL1985PLC019746

## CEO AND CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT

I, Sanjeev Kumar, Director of M/s Panafic Industrials Limited do hereby certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2014, and to the best of my knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d) There has been:
  - i) no significant change in internal control over financial reporting during the year under reference;
  - ii) no significant change in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and



iii) no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

**For and on behalf of the Board of Directors  
M/s Panafic Industrials Limited**

  
**Sanjeev Kumar**  
**Director** \*

**DIN: 06625416**

**Village Nithari baer,  
Bulandshahar- 203201, Uttar Pradesh**

**Place: Delhi**

**Date: 30<sup>th</sup> May, 2014**







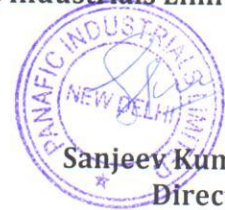
# **Panafic Industrials Ltd.**

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## **DECLARATION ON CODE OF CONDUCT UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

As provided under Clause 49 of the Listing Agreement with the stock exchange, I affirm that all the members of the Board have confirmed the compliance of Code of Conduct adopted by the Company for the Financial Year ended as on March 31, 2014.

**For and on behalf of the Board of Directors  
M/s Panafic Industrials Limited**



**Sanjeev Kumar  
Director**

**DIN: 06625416**

**Village Nithari baer,  
Bulandshahar- 203201, Uttar Pradesh**

**Place: Delhi  
Date: 30<sup>th</sup> May, 2014**

**To the Members of  
Panafic Industrials Limited**

We have examined the compliance of conditions of Corporate Governance by Panafic Industrials Limited, for the year ended on 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Delhi Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

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

For **Rohit Suri & Associates**  
**Chartered Accountants**



A handwritten signature in blue ink, appearing to read "Rohit Suri".

**Rohit Suri**  
**Proprietor**

**Place: New Delhi**  
**Date: 30<sup>th</sup> May, 2014**

**Firm Registration No.: 012259N**  
**Membership Number: 091064**



**Independent Auditors' Report  
To the Members of Panafic Industrials Limited**

**Report on the financial statements**

We have audited the accompanying financial statements of Panafic Industrials Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2014, 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 ('the Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

**Auditors' 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 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit 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.



SHARMA

## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ('Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2 As required by Section 227(3) of the Act, we report that:
  - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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;
  - (iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the 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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - (v) on the basis of written representations received from the directors of the Company as on 31 March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

**For ROHIT SURI & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No.: 012259N**

*Rohit Suri*

**ROHIT SURI**  
**PROPRIETOR**  
**Membership No.091064**



*SHARMA*

Place: New Delhi  
Date: 30 May 2014



**Annexure to the Auditors' Report**  
(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets shall be verified in a phased manner over a period of two years. Accordingly, the Company has carried out a physical verification of fixed assets at the end of the current year. No material discrepancies were noted on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Entire fixed assets of the company have been disposed off during the year. However, looking into the nature of business activities carried on by the company and the fact that the company is in the process of acquiring new assets, the going concern concept is not affected.
- ii. (a) During the year the inventory have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation 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) On the basis of our examination of the record of inventories we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material and have been properly dealt with in the books of account.
- iii. (a) As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As informed to us, 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 and hence clause iii (e) , (f) and (g) of the Companies ( Auditor's Report ) Order , 2003 ( as amended ) are not applicable
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of goods and services. We have not observed any material weakness in the internal control system during the course of the audit.
- v. (a) According to the information and explanations provided by the management, we are of the opinion that there were no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakhs rupees in respect of any party during the year.



SHARMA

- vi. The Company has not accepted any deposits from the public during the period, covered by Section 58A and section 58AA or any other relevant provisions of the Companies Act, 1956.
- vii. In our Company, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records by the company under section 209(1) (d) of the Companies Act, 1956.
- ix. (a) According to the information and explanation given to us and records of the company examined by us, in our opinion the company is generally regular in depositing 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 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- x. The company does not have any accumulated losses. The company has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and financial institutions. The Company has not issued any debentures during the year.
- xii. According to the information and explanations given to us, the Company has maintained adequate documents and records in the cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- xiv. In our opinion and according to the information and explanation given to us, the company has maintained proper records of the transactions and contracts in respect of trading in shares, securities and other investments during the year and timely entries have been made therein. Shares, securities and other investments have been held by the company, in its own name except to the extent of the exemption, if any, granted under Section 49 of the Act.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanation given to us, no term loans has been taken by the company during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31 March 2014, we are of the opinion that no funds raised on short-term basis have been used for long term investment purposes.




SHARMA



- xviii. The Company has not made any preferential allotment of shares to companies, firms or parties covered in the register maintained under Section 301 of the Act.
- xix. According to the information and explanations given to us, the Company has not issued debentures in the current year.
- xx. According to the explanations and information given to us, the company has raised money by way of preferential issue and the same has been used for the business operations.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For ROHIT SURI & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No.: 012259N**

SHARMA

  
**ROHIT SURI**  
**PROPRIETOR**  
**Membership No.091064**



Place: New Delhi  
Date: 30 May 2014



# Panafic Industrials Ltd.

Regd. Off.: 4566/13, Jai Mata Market, Tri Nagar, Delhi - 110035  
CIN: L45202 DL1985PLC019746 Ph.: 011-64909998

E-mail: panafic.industrials@gmail.com

Website: panaficindustrials.com

Balance Sheet as at 31 March, 2014

(All amounts are in Indian rupees)

Particulars	Note No.	As at 31 March 2014	As at 31 March 2013
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	82,125,000	7,425,000
Reserves and surplus	2.2	4,293,208	4,057,401
<b>Current liabilities</b>			
Trade payables	2.3	30,922	-
Other current liabilities	2.4	16,907,700	189,013,000
Short-term provisions	2.5	171,953	435,296
		<u>103,528,783</u>	<u>200,930,697</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	2.6	-	10,600,000
Tangible assets		-	-
Intangible assets		-	-
Non-current investments	2.7	22,310,000	-
Deferred tax assets (net)	2.8	53,134	-
Long-term loans and advances	2.9	1,422	305,398
<b>Current assets</b>			
Inventories	2.10	2,305,129	5,099,608
Trade receivables	2.11	-	201,534
Cash and bank balances	2.12	10,077,836	11,206,257
Short-term loans and advances	2.13	68,781,262	173,518,500
Other Current Assets		-	-
		<u>103,528,783</u>	<u>200,930,697</u>
<b>Significant accounting policies and notes to the financial statements</b>	1, 2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rohit Suri & Associates  
Chartered Accountants  
Firm Registration No.: 012259N



Rohit Suri  
Proprietor  
Membership No.: 091064



Place: New Delhi  
30th Mar, 2014

For and on behalf of Board of Directors of  
Panafic Industrials Limited



  
Sanjeev Kumar  
Director  
DIN: 06625416



  
Ankur Sharma  
Director  
DIN: 06625403





# Panafic Industries Ltd.

Regd. Off.: 4566/13, Jai Mata Market, Tri Nagar, Delhi - 110035  
CIN: L45202 DL1985 PLC 09746 Ph. : 011-64909998  
E-mail : panafic.industrials@gmail.com  
Website : www.panaficindustrials.com

## Statement of Profit and Loss for the year ended 31 March, 2014

(All amounts are in Indian rupees)

Particulars	Note	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Revenue</b>			
Revenue from operations	2.14	7,195,981	38,097,685
Other income	2.15	10,730	400,000
<b>Total revenue</b>		<b>7,206,711</b>	<b>38,497,685</b>
<b>Expenses</b>			
Purchase of stock in trade	2.16	-	32,013,410
Changes in inventories	2.17	2,793,879	4,994,710
Employee benefits expense	2.18	2,599,500	275,000
Other expenses	2.19	1,161,052	343,274
<b>Total expenses</b>		<b>6,554,431</b>	<b>37,626,394</b>
<b>Profit before tax</b>		<b>652,280</b>	<b>871,291</b>
<b>Tax expense</b>			
Current income-tax		310,000	25,833
Deferred tax charge/ (credit)		(53,134)	-
Prior year tax adjustment		159,607	-
<b>Profit after tax for the year</b>		<b>235,807</b>	<b>845,458</b>

### Earnings per equity share (par value Rs. 10 per share)

Basic and diluted earnings per share (Rs.)			
Basic	2.23	0.13	1.14
Diluted	2.23	0.13	1.14

### Significant accounting policies and notes to the financial statements

1, 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rohit Suri & Associates  
Chartered Accountants  
Firm Registration No.: 012259N

Rohit Suri  
Proprietor  
Membership No.: 091064



For and on behalf of Board of Directors of  
Panafic Industries Limited



Sandeep Kumar  
Director  
DIN: 06625416



Ankur Sharma  
Director  
DIN: 06625403

Place: New Delhi  
Date: 30th May, 2014



# Panafic Industries Ltd.

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CIN: L45202 DL1985 PLC019746 Ph.: 011-64909998

E-mail: panafic.industrials@gmail.com

Website: www.panaficindustrials.com

Significant accounting policies and notes to the financial statements for the year ended 31 March 2014  
(All amounts are in Indian Rupees)

## 1. Significant accounting policies

### (i) Basis of preparation

The financial statements are prepared under the historical cost convention on a going concern basis, on the accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles ('GAAP') in India, accounting standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India ('ICAI') and the presentational requirements of the Companies Act, 1956 as adopted consistently by the Company.

### (ii) Current–non-current classification

All assets and liabilities have been classified as current or non-current as per the normal operating cycle and the criteria set out in Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

### (iii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Adjustments as a result of differences between actual results and estimates are recognized prospectively.

### (iv) Revenue recognition

- a. Income from Interest on financing activities is recognized on accrual basis.
- b. In respect of other heads of income & expenses, the Company follows the practice of recognizing income & expenses on an accrual basis.
- c. Income from trading in securities comprises profit/ loss on sale of securities held as stock in trade and profit/loss on equity and derivatives instruments. Profit/ loss on sale of securities are determined based on the FIFO cost of the securities sold and is accounted for on the trade date of transaction.

### (v) Fixed assets

All Fixed assets are stated at historical cost less any accumulated depreciation. Cost includes original cost of acquisition including incidental expenses related to such acquisition.

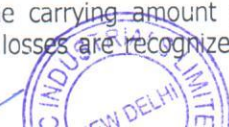
Fixed assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

### (vi) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each Balance Sheet date. An impairment loss is recognized whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of



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*[Handwritten signature]*



**Significant accounting policies and notes to the financial statements for the year ended 31 March 2014**  
**(All amounts are in Indian Rupees)**

Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

**(vii) Investments**

Investments are classified into non-current investments and current investments based on intent of management at the time of making the investment. Investments which are intended to be held for more than one year are classified as non-current investments and those which are intended to be held for less than one year are classified as current investments. Long-term investments are valued at cost unless there is diminution, other than temporary, in their value. Current investments are valued at lower of cost and market value.

**(viii) Inventories**

Inventories of stock and securities have been valued at lower of cost and market value.

**(ix) Employee benefits**

The Company's obligation towards various employee benefits is recognized as follows:

**Short-term employee benefits**

All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Statement of Profit and Loss in the period/ year in which the employee renders the related service.

Employee entitlements to annual leave are recognized when they accrue to the eligible employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the eligible employees up to the Balance Sheet date.

**Defined contribution plan**

Provident fund is a defined contribution plan. The contribution towards provident fund has been deposited with Regional Provident Fund Commissioner and is charged to the Statement of Profit and Loss.

**Defined benefit plan**

The Company pays gratuity to employees who retire or resign after a minimum period of five years of continuous service.

**(x) Current and deferred tax**

Income-tax expense comprises current tax (i.e. amount of tax for the period/ year determined in accordance with the Income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period/ year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

**(xi) Leases**

Lease payments under operating lease are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.



*Signature*



Significant accounting policies and notes to the financial statements for the year ended 31 March 2014  
(All amounts are in Indian Rupees)

**(xii) Provision, contingent liabilities and contingent assets**

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 the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**(xiii) Earnings per share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

**(xiv) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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A handwritten signature in blue ink, appearing to be 'R. Sharma'.



SHARMA



Significant accounting policies and notes to the financial statements for the year ended 31 March, 2014  
(All amounts are in Indian Rupees)

2. Notes to the financial statements

Particulars	As at 31 March 2014	As at 31 March 2013
<b>2.1(a): Share capital</b>		
<b>Authorised</b>		
10,000,000 equity shares of face value of Rs. 10/- each (previous year 750,000 equity shares of Rs. 10 each)	100,000,000	7,500,000
<b>Issued, subscribed and fully paid-up:</b>		
8,212,500 equity shares of face value of Rs. 10/- each (previous year 742,500 equity shares of Rs. 10 each, fully paid - up)	82,125,000	7,425,000
	<b>82,125,000</b>	<b>7,425,000</b>

During the year under review, the company has increased authorised capital from Rs. 75,00,000/- to Rs. 1,00,00,000/- as on 3rd September, 2013 and the Issued, Subscribed and Paid up capital from Rs. 7,42,50,000/- to Rs. 82,12,500/- as on 4th February, 2014.

2.1(b): Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
At the beginning of the year	742,500	7,425,000	742,500	7,425,000
Issued during the period	7,470,000	74,700,000	-	-
<b>Outstanding at the end of the year</b>	<b>8,212,500</b>	<b>82,125,000</b>	<b>742,500</b>	<b>7,425,000</b>

2.1(c): Rights, preferences and restrictions attached to share capital

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The paid-up equity shares of the Company rank *pari-passu* in all respects including dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.1(d): Shares held by shareholders holding more than 5% shares

Name of the shareholder	Number of shares as at 31 March 2014	Number of shares as at 31 March 2013
Pannalal H.Gulecha	500,000	-
Amit kumar P.Gulecha	500,000	-
Vimalchand Karamchand Ranka	750,000	-
Lalit Mohanlal Jain	1,000,000	-

2.2: Reserves and surplus

	As at 31 March 2014	As at 31 March 2013
<b>General reserve</b>		
Opening balance	3,207,980	3,207,980
Add: Addition during the year	-	-
	<b>3,207,980</b>	<b>3,207,980</b>
<b>Less :Appropriation</b>		
Transfer to Statutory Reserve Fund pertaining to earlier years*	48,951	-
	<b>3,159,029</b>	<b>3,207,980</b>
<b>Statutory reserve fund *</b>		
Opening balance	169,092	-
Add: Addition during the year	96,112	169,092
Closing balance	<b>265,204</b>	<b>169,092</b>
<b>Surplus</b>		
Opening balance	680,329	3,962
Add: Transfer from Statement of Profit and Loss	235,807	845,459
	<b>916,136</b>	<b>849,421</b>
<b>Appropriation</b>		
Transfer to Statutory Reserve Fund *	47,161	169,092
	<b>868,975</b>	<b>680,329</b>
	<b>4,293,208</b>	<b>4,057,401</b>

\* Statutory reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). Under Section 45-IC, a company is required to transfer sum not less than twenty percent of its net profit every year to a reserve fund. Accordingly, the Company has transferred Rs. 96,112 (previous year Rs. 169,092, including amounts for 2009-10 and 2010-11), being twenty percent of net profits from its financial activities for the financial year to the statutory reserve. The deficit of Rs.48,951/- pertaining to earlier years is being transferred to Statutory Reserve Fund from General Reserve. The statutory reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.



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**Significant accounting policies and notes to the financial statements for the year ended 31 March 2014**  
(All amounts are in Indian Rupees)

Particulars	As at 31 March 2014	As at 31 March 2013
<b>2.3: Trade payables</b>		
Payables against goods and services	-	-
- due to micro and small enterprises *	30,922	-
- others	-	-
	<u>30,922</u>	<u>-</u>

\* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March, 2014 and 31 March 2013.

<b>2.4: Other current liabilities</b>		
Salary, bonus and other employee payables	202,700	-
Other liabilities	16,705,000	189,013,000
	<u>16,907,700</u>	<u>189,013,000</u>
<b>2.5: Short-term provisions</b>		
Provision for standard assets	171,953	435,296
	<u>171,953</u>	<u>435,296</u>

# refer to Note 2.25

**Panafic Industrials Limited**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2014**  
(All amounts are in Indian Rupees)

<b>2.6: Non current assets</b>		
<b>Tangible fixed assets</b>		
Floor at Panch Enclave	-	10,600,000
	<u>-</u>	<u>10,600,000</u>

**Panafic Industrials Limited**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2014**  
(All amounts are in Indian Rupees)

<b>2.7: Non-current investments (non-trade, at cost)</b>		
<b>Investment in equity instruments</b>		
<b>Unquoted</b>		
<b>Fully paid up of face value Rs. 10 each</b>		
1,231,000 shares of Rs. 10/- each (Previous year :Nil) Shares of Croitre Industries Limited	12,310,000	-
250,000 shares of RS. 10/- each (Previous year :Nil) Shares of Fortune	2,500,000	-
250,000 shares of Rs. 10/- each(Previous year :Nil) Shares of Tushar Commodities Private Limit	2,500,000	-
500,000 shares of Rs. 10/- each (Previous year :Nil) Shares of Priority Vanijya Private Limited	5,000,000	-
	<u>22,310,000</u>	<u>-</u>
<b>2.8: Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Provision for standard assets	53,134	-
	<u>53,134</u>	<u>-</u>
<b>Deferred tax asset</b>		
<b>2.9: Long-term loans and advances (unsecured, considered good, unless otherwise stated)</b>		
Income-taxes recoverable	1,422	305,398
[net of provision for tax Rs. 309,000 (previous year Rs 25,833)]	<u>1,422</u>	<u>305,398</u>



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Significant accounting policies and notes to the financial statements for the year ended 31 March 2014  
(All amounts are in Indian Rupees)

Particulars	As at 31 March 2014	As at 31 March 2013
<b>2.10: Inventories</b> (at lower of cost and net realisable value)		
Stock-in-trade of shares	2,305,129	5,099,008
	<u>2,305,129</u>	<u>5,099,008</u>
<b>2.11: Trade receivables</b> <b>Unsecured</b>		
a) Outstanding for more than six months from due date	-	-
- Considered good	-	-
- Considered doubtful	-	-
b) Other trade receivables	-	201,534
- Considered good	-	-
- Considered doubtful	-	-
	<u>-</u>	<u>201,534</u>

Significant accounting policies and notes to the financial statements for the year ended 31 March 2014  
(All amounts are in Indian Rupees)

**2.12: Cash and bank balances**

<b>Cash and cash equivalents</b>		
Cash in hand	2,050,743	1,751,762
Balances with banks:		
- in current accounts	8,027,093	9,454,495
	<u>10,077,836</u>	<u>11,206,257</u>

**2.13: Short-term loans and advances (unsecured, considered good)**

<b>Receivable under financing activities</b>		
Standard assets - unsecured, considered good	68,781,262	173,518,500
	<u>68,781,262</u>	<u>173,518,500</u>

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**Significant accounting policies and notes to the financial statements for the year ended 31 March, 2014**  
(All amounts are in Indian Rupees)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>2.14: Revenue from operations</b>		
Income from Financing activities	4,402,102	2,050,276
Income from trading in securities	2,793,879	36,047,409
	<u>7,195,981</u>	<u>38,097,685</u>
<b>2.15: Other income</b>		
Interest on income-tax refund	10,730	-
Profit on sale of fixed assets	-	400,000
	<u>10,730</u>	<u>400,000</u>
<b>2.16: Purchase</b>		
Purchase of stock in trade	-	31,968,215
Add: Security transaction tax	-	45,195
	<u>-</u>	<u>32,013,410</u>
<b>2.17: Change in Inventories</b>		
Opening Stock in trade	5,099,008	10,093,718
Closing Stock in trade	2,305,129	5,099,008
	<u>2,793,879</u>	<u>4,994,710</u>
<b>2.18: Employee benefits expense</b>		
Salaries and wages	2,432,400	240,000
Staff welfare	167,100	35,000
	<u>2,599,500</u>	<u>275,000</u>
<b>2.19: Other expenses</b>		
ISIN Connectivity Fees	44,946	-
Travelling and conveyance	187,257	18,260
Printing and stationery	191,671	18,500
Rent	168,000	48,000
Rates and taxes	648,175	3,500
Provision for standard assets	(263,342)	119,239
Meeting expenses	49,643	60,120
Demat expenses	2,300	2,045
Advertisement	8,624	7,280
Legal and professional	30,000	14,500
Listing Fees	41,573	11,133
Audit fees *	15,000	15,000
Bank charges	3,767	8,127
Miscellaneous	33,438	17,570
	<u>1,161,052</u>	<u>343,274</u>

# represents rental expense incurred in respect of office space leased by the Company under operating lease arrangements. These leases are cancellable arrangements that extend for a maximum period of 3 years from their respective dates of inception.

\* Audit fees includes (excluding service tax):

As auditor	15,000	15,000
For tax audit	-	-
For other matters	-	-
Reimbursement of expenses	-	-
	<u>15,000</u>	<u>15,000</u>



PHARMA



Significant accounting policies and notes to the financial statements for the year ended 31 March 2014  
(All amounts are in Indian Rupees)

2. Notes to the financial statements

	<u>Current Year</u> (Rs.)	<u>Previous Year</u> (Rs.)
2.20 Contingent Liability	Nil	Nil

2.21 Segment Reporting

Segment information for the year ended March 31, 2014

a) Primary segment information (by business segments)

Particulars	Amount( In Rs.)			
	Financing activities	Dealing in Securities	Unallocated Others	Total
i) Segment revenue	4,402,102	2,793,879	10,730	7,206,711
	(2,050,276)	(-960,711)	(400,000)	1,489,566
ii) Segment Results	4,660,512	-2,300	10,730	4,668,942
	(1,931,037)	(-962,756)	(400,000)	(1,368,281)
Less : I. Interest				Nil
				(Nil)
II. Unallocable expenditure / (net of unallocable income)				4,021,594
				(496,990)
Less: Taxation				310,000
				(25,833)
Total profit after tax				235,807
				(845,458)
iii) Segment Capital Employed	68,781,262	24,615,129	10,132,392	103,528,783
	(173,518,500)	(5,300,542)	(22,111,655)	(200,930,697)
iv) Capital expenditure	0			0
	0			0
v) Depreciation	0			0
	0			0
vii) Non cash expenses other than depreciation				
-Provision for standard assets	171,953			171,953
	(435,296)			(435,296)

Note: Figures shown in brackets indicates previous year amount.



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**Significant accounting policies and notes to the financial statements for the year ended 31 March 2014**  
(All amounts are in Indian Rupees)

- c) The company's primary business segment is reflected based on principal business activities carried on by the company. The company's primary business comprises of financing of loans and dealing in securities.
- d) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.
- e) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparation of financial information as disclosed in (A) above.

**2.22 Related party disclosure**

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

**a) List of the related parties:**

**(i) Key management personnel**

Sanjeev Kumar – Director (appointed on 09<sup>th</sup> July 2013)  
Ankur Sharma – Director (appointed on 09<sup>th</sup> July 2013)  
Virender Gupta – Director  
Ashwani Kumar Salwan - Director

- (ii)** As informed by the management, there was no related party transactions made during the year.

**2.23.. Basic and Diluted Earnings per Share**

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Net Profit attributable to Equity Shareholders *	Rs 235,807	Rs. 845,459
Weighted Average No. of Equity Shares for basic & diluted EPS	1,868,116	742,500
Nominal Value per share	Rs. 10	Rs. 10
<b>Basic &amp; Diluted EPS</b>	<b>Rs. 0.13</b>	<b>Rs. 1.14</b>

\*after transfer to Reserve Fund u/s 45(IC) of RBI Act, 1934

**2.24. Schedule in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998**

Particulars	( Amount in Rs. )	
	Amount Outstanding	Amount Overdue
<b>Liabilities Side :</b>		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
a) Debentures : Secured	Nil	Nil
: Unsecured	Nil	Nil
(other than falling within the meaning of public deposits)		
b) Deferred credits	Nil	Nil
c) Term loans	Nil	Nil
d) Inter-corporate loans & borrowings	Nil	Nil
e) Commercial paper	Nil	Nil





**Significant accounting policies and notes to the financial statements for the year ended 31 March 2014**  
**(All amounts are in Indian Rupees)**

f) Public deposits	Nil	Nil
g) Other loans –	Nil	Nil
i) Working capital loans from banks	Nil	Nil
ii) Security deposit for corporate Guarantee	Nil	Nil
iii) Secured loans		
<b>(2) Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>		
a) In the form of unsecured debentures:	Nil	Nil
b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security	Nil	Nil
c) Other public deposits	Nil	Nil
<b>Assets side :</b>		
		<b>Amount Outstanding (Rs.)</b>
<b>(3) Break-up of Loans and advances</b> including bills receivables [other than those included in (4) below:]		
a) Secured		Nil
b) Unsecured (net of provisions)		68,781,262
<b>(4) Break-up of Leased Assets</b> stock on hire and hypothecation loans counting towards EL / HP activities (net of provision)		
i) Lease assets including lease rentals under sundry debtors		Nil
a) Financial lease		Nil
b) Operating lease		Nil
ii) Stock on hire including hire charges under sundry debtors :		Nil
a) Assets on hire		
b) Repossessed assets		
iii) Hypothecation loans counting towards EL / HP activities		Nil
a) Loans where assets have been repossessed		
b) Loans other than (a) above		
<b>(5) Break-up of Investments:</b>		
<b>Current Investments:</b>		
1. Quoted:		2,305,129
i) Shares: a) Equity		Nil
b) Preference		



Significant accounting policies and notes to the financial statements for the year ended 31 March 2014  
(All amounts are in Indian Rupees)

ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others (please specify)	
<b>2. Unquoted:</b>	
i) Shares: a) Equity	Nil
b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others ( please specify )	Nil
<b>Long Term Investments</b>	
<b>1. Quoted:</b>	
i) Shares: a) Equity	Nil
b) Preference	Nil
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others (please specify)	Nil
<b>2. Unquoted:</b>	
i) Shares: a) Equity shares	22,310,000
b) Preference	
ii) Debentures and Bonds	Nil
iii) Units of mutual funds	Nil
iv) Government Securities	Nil
v) Others (please specify)	Nil

**1) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances:**

Category	Amount net of provisions (Rs.)		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
a) Subsidiaries	Nil	Nil	Nil
b) Companies in the same group	Nil	Nil	Nil
c) Other related parties	Nil	Nil	Nil
<b>2. Other than related parties</b>	Nil	68,781,262	68,781,262
<b>TOTAL</b>			

**2) Investor group-wise classification of all investments (current and long term) in shares and securities ( both quoted and unquoted ) :**

1. Related parties	Break-up market value ( Rs. )	Book value ( net of provision ) (Rs.)
(a) Subsidiaries	Nil	Nil
<b>(b) Companies in the same group</b>		
2. Other than related parties	22,310,000	22,310,000
<b>TOTAL</b>		

Other Information



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*[Handwritten Signature: SHARMA]*



**Significant accounting policies and notes to the financial statements for the year ended 31 March 2014**  
(All amounts are in Indian Rupees)

Particulars	Amount in Rs.
i) Gross Non-Performing Assets	
a) Related parties	Nil
b) Other than related parties	Nil
ii) Net Non-Performing Assets	
a) Related parties	Nil
b) Other than related parties	Nil
iii) Assets acquired in satisfaction of debt	Nil

2.25 Other additional information pursuant to general instruction for preparation of Statement of Profit & Loss of part II of Schedule VI of the Companies Act, 1956 are not given since these are not applicable.

2.26 These notes to accounts form an integral part of accounts and have been duly authenticated.

2.27 Previous year figures have been regrouped wherever necessary to conform to the classifications adopted in these accounts. Figures have been rounded off to the nearest rupee.

As per our report of even date attached

*For Rohit Suri & Associates*  
Chartered Accountants  
Firm Registration No.012259N

**Rohit Suri**  
Proprietor  
M.No.091064



Place: New Delhi  
Date: 30<sup>th</sup> May, 2014

*For & on behalf of the board of directors of*  
**Panafic Industrials Limited**

**Sanjeev Kumar**  
(Director)  
DIN: 06625416



**Ankur Sharma**  
(Director)  
DIN: 06625403

**Panafic Industrials Limited**  
**Cash Flow Statement for the year ended 31 March, 2014**  
 (All amounts are in Indian rupees)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
<b>Cash flow from operating activities</b>		
Profit before tax	652,280	871,291
<b>Add:</b>	-	-
<b>Less:</b>	-	-
<b>Operating profit before working capital changes</b>	<b>652,280</b>	<b>871,291</b>
Adjustments for:		
(Increase)/ decrease in inventories	2,793,879	4,994,710
(Increase)/ decrease in trade receivables	201,534	7,592,409
(Increase)/ decrease in loans and advances (refer note 2 below)	104,737,238	(47,095,742)
(Increase)/ decrease in other current assets	-	143,031
Increase/ (decrease) in Short Term Borrowings	-	(158,751,302)
Increase/ (decrease) in trade Payables	30,922	-
Increase/ (decrease) in other current liabilities	(172,105,300)	189,013,000
Increase/ (decrease) in short term provisions	(263,343)	115,449
<b>Cash generated from operations</b>	<b>(63,952,790)</b>	<b>(3,117,154)</b>
Income taxes paid (gross)	469,607	25,833
Deferred Tax (Assets)	53,134	-
Income tax refund	-	-
<b>Net cash from/ (used in) operating activities (A)</b>	<b>(64,475,530)</b>	<b>(3,142,987)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of fixed assets	10,600,000	10,600,000
Purchase of investments	(22,310,000)	-
Long - term loans and advances	-	(305,398)
Recovery of loans and advances	303,976	-
deferred tax asset	53,134	-
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(11,352,890)</b>	<b>10,294,602</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	74,700,000	-
<b>Net cash from/ (used in) financing activities (C)</b>	<b>74,700,000</b>	<b>-</b>
<b>Net increase/ (decrease) in cash or cash equivalents (A+B+C)</b>	<b>(1,128,421)</b>	<b>7,151,615</b>
Cash and cash equivalent at the beginning of the year (refer Note 2.12)	11,206,257	4,054,642
<b>Cash and cash equivalent at the end of the year (refer Note 2.12)</b>	<b>10,077,836</b>	<b>11,206,257</b>



For Panafic Industrials Limited

*[Signature]*  
 Director

For Panafic ..



A. SHARMA  
 Director



**Notes:**

- 1 The above Cash Flow Statement has been prepared under the indirect method setout in AS-3 on 'Cash Flow Statement' as notified under Companies (Accounting Standard) Rules, 2006.
- 2 Include both long-term and short-term assets/ liabilities.
- 3 Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year classification.

As per our report of even date attached

For Rohit Suri & Associates  
Chartered Accountants  
Firm Registration No.: 012259N



**Rohit Suri**  
Proprietor  
Membership No.: 091064



For and on behalf of Board of Directors of  
Panafic Industrials Limited



**Sanjeev Kumar**  
Director  
DIN: 06625416

**Ankur Sharma**  
Director  
DIN: 06625403

Place: New Delhi  
Date: 30th May, 2014

### ATTENDANCE SLIP

Venue of the Meeting: 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110025

Date and Time: 30<sup>th</sup> September, 2014 at 11:00 A.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Address	
DP-ID/CLIENT-ID*	
Regd. Folio No.	
No. of shares held	
Whether the member is attending the meeting in person or by proxy or by authorized representative.	
Name of the proxy (to be filed in if proxy attends instead of the member).	

*\*Applicable for investors holding shares in Electronic form.*

I certify that I am a registered Shareholders/Proxy for the registered Shareholder of the Company. I/we hereby record my/our presence at the Annual General Meeting of the Company held on Tuesday, the 30<sup>th</sup> day of September, 2014 at the registered office of the Company at 11.00 A.M., at the registered office of the company at 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, Delhi- 110026.

Signature of the Member/Proxy  
(To be signed at the time of handing over the slip)



*Suzhe Gupta*



**Form No. MGT-11  
Proxy Form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN: L45202DL1985PLC019746

Name of the Company: **Panafic Industrials Limited**

Venue of the Meeting: **23, II Floor, North West Avenue, Club Road, West Punjabi Bagh, Delhi- 110026**

Date and Time: **30<sup>th</sup> September, 2014 at 11:00 A.M.**

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE**

<b>Name</b>	
<b>Address</b>	
<b>DP-ID/CLIENT-ID*</b>	
<b>Regd. Folio No.</b>	
<b>No. of shares held</b>	

*\*Applicable for investors holding shares in Electronic form.*

I/We, being the member(s) of ..... shares of the above named company, hereby appoint the following as my/our Proxy to attend vote (for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2014 at 11.00 A.M. at 23, II Floor, North West Avenue, Club Road, West Punjabi Bagh, Delhi- 110026 and at any adjournment thereof) in respect of such resolutions as are indicated below:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her



*Santa Gupta*

\*\* I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

S. No.	Resolution	Number of shares held	For	Against
<b>ORDINARY BUSINESS:</b>				
1	Adoption of audited Financial Statements for the financial year ended March 31, 2014 and reports of the Board of Directors and the Auditors thereon			
2	Re-appointment of M/s Rohit Suri and Associates as Statutory Auditors			
<b>SPECIAL BUSINESS:</b>				
3	Appointment of Mr. Rajeev Kumar Gupta as Director			
4	Appointment of Mr. Rajeev Kumar Gupta as Managing Director			
5	Appointment of Mrs. Sarita Gupta as Director			
6	Appointment of Ms. Renu as Director			
7	Appointment of Mr. Ankur Sharma as an Independent Director			
8	Appointment of Mr. Sanjeev Kumar as an Independent Director			
9	Approval of Borrowing Limits of the Company			
10	Approval for Creation of Charge/ Mortgage on the Assets of the Company			

\*\* This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signature of shareholder .....

Signature of Proxy holder(s) .....

Signed this ..... Day of ..... 2014

Affix One  
Rupee  
Revenue  
Stamp

**Note:**

- a. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- b. A Proxy need not be a member of the Company.
- c. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

*Sarita Gupta*

