



# **PANAFIC INDUSTRIALS LIMITED**

CIN: L45202DL1985PLC019746

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

*For Financial Year 2019-20*

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Ms. Sarita Gupta  
Managing Director  
DIN: 00113099

Mr. Sanjeev Kumar  
Non-Executive Independent Director  
DIN: 06625416

Ms. Renu  
Non-Executive Director  
DIN: 03572788

Mr. Shri Kishan Gupta  
Non-Executive Independent Director  
DIN: 08430379

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mrs. Priti Gupta (Appointed w.e.f. 10<sup>th</sup> February, 2020)  
Ms. Megha Jain (Resigned w.e.f. 19<sup>th</sup> October, 2019)

**CHIEF FINANCIAL OFFICER**

Ms. Sarita Gupta

**STATUTORY AUDITORS**

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

**SECRETARIAL AUDITOR**

Sheetal Bansal  
Company Secretaries  
3<sup>rd</sup> Floor, E-39, Pandav Nagar,  
Near Patparganj, New Delhi-110091

**REGISTRAR & TRANSFER AGENT**

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

**ANNUAL GENERAL MEETING**

Date: 30<sup>th</sup> December, 2020  
Time: 10.00 A.M.  
Day: Wednesday  
Venue: 23, II<sup>nd</sup> 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**

BSE Limited

**REGISTERED OFFICE**

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

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PANAFIC

**NOTICE**

Notice is hereby given that the Thirty-fifth (35<sup>th</sup>) Annual General Meeting of the Members of Panafic Industrials Limited will be held on Wednesday, the 30<sup>th</sup> day of December, 2020 at 10.00 A.M. at the registered office of the Company at 23, II<sup>nd</sup> Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110026 to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Renu (DIN: 03572788), who retires by rotation, and being eligible, offers himself for re-appointment.

By Order of the Board  
For Panafic Industrials Limited

Sd/-

Priti Gupta

Company Secretary & Compliance Officer

M No.: A29675

Place: Delhi

Date: 05<sup>th</sup> December, 2020

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS, AS THE CASE MAY BE, OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED.** Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.

Members are requested to note that a person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the AGM.
3. Members/Proxies and authorised representatives are requested to bring their duly completed Attendance Slip enclosed herewith along with their copy of the Annual Report to the Meeting.

4. The route map showing directions to reach the venue of the Annual General Meeting is annexed.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
7. Members holding shares in physical form are requested to consider converting their share certificates into dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Share Transfer Agent for any assistance in this regard.
8. **Nomination Facility:** As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Registered Office of the Company on all working days except Saturdays, Sundays and Bank Holidays, during business hours up to the date of the Annual General Meeting.
10. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24<sup>th</sup> December, 2020 to Wednesday, 30<sup>th</sup> December, 2020 (**both days inclusive**) in connection with AGM.
11. Electronic copy of the Annual Report 2019-20 is being sent to those Members whose e-mail address is registered with the Company / Depositories for communication purpose, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail address, physical copies of the Annual Report are being sent by the permitted mode. Members may note that this Annual Report will also be available on the Company's website viz. [www.panaficindustrialsltd.com](http://www.panaficindustrialsltd.com).
12. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/electronic mode, respectively.
13. **Voting through Electronic Means:**
  - a) In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended to date and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below. Resolution(s) passed by Members through e-Voting is/are deemed to have been passed as if they have been passed at the AGM.
  - b) The facility for voting through poll shall also be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right to vote at the Annual General Meeting.
  - c) The Company has appointed M/s Sheetal Bansal and Associates, Company Secretaries as the Scrutinizer to

scrutinize the voting at the meeting and remote e-Voting process, in a fair and transparent manner.

d) The Members who have cast their vote by remote e-Voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

e) **E-voting Instructions:**

(i) The remote-e voting period begins on 27<sup>th</sup> December, 2020 at 09:00 A.M. and ends on 29<sup>th</sup> December, 2020 at 5.00 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. 23<sup>rd</sup> December, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2019 may obtain the login ID and password by sending a request at [panafic.industrials@gmail.com](mailto:panafic.industrials@gmail.com).

(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:

(viii)

<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 sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the</p>

	first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• 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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Panafic Industrials Limited.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.



(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

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

(xviii) 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.

(xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(xx) 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.
- 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 a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on approval of the accounts they would be able to cast their vote.
- 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.

(xxi) 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).

**CONTACT DETAILS:-**

Company	Panafic Industrials Limited 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi - 110026
Company Secretary & Compliance Officer	Priti Gupta E-mail Id: <a href="mailto:panafic.industrials@gmail.com">panafic.industrials@gmail.com</a>
Registrar & Share Transfer Agent	Skyline Financial Services(P)Limited D-153A, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020
Agent e-voting Agency	Central Depository Services (India) Limited E-mail ID: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>

	Ph: 022-22723333/8588
Scrutinizer	M/s Sheetal Bansal & Associates Practicing Company Secretaries bansalsheetal965@gmail.com

PANAFIC

**Details of Directors seeking appointment/re-appointment at the Annual General Meeting (Pursuant to Regulation 36(3) of the Listing Regulations)**

<b>Name of Directors</b>	<b>Ms. Renu</b>
Date of Birth (age)	1 <sup>st</sup> March, 1981 (38)
Date of Appointment	30 <sup>th</sup> September, 2014
Qualifications	MBA
Relationship between Directors inter-se	None
Expertise in specific functional area	Rich experience in Marketing Sector
Directorships held in other Public Companies (excluding Foreign, Private and Section 8 Companies)	IRIS Computers Limited
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	-
No. of shares held in the Company	NIL

## ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	PAN	USER ID	NO. OF SHARES

-----Tear Here-----

## ATTENDANCE SLIP

**Venue of the Meeting: 23, II<sup>nd</sup> Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110026**

**Date and Time: 30<sup>th</sup> December, 2020 at 10:00 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>	
<b>Whether the member is attending the meeting in person or by proxy or by authorized representative.</b>	
<b>Name of the proxy (to be filed in if proxy attends instead of the member).</b>	

*\*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 Wednesday, the 30<sup>th</sup> day of December, 2020 at 10.00 am at 23, II<sup>nd</sup> Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110026.

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

**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<sup>nd</sup> Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi - 110026**

Date and Time: **30<sup>th</sup> December, 2020 at 10:00 A.M.**

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 35<sup>th</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> December, 2020 at 10.00 A.M. at 23, II<sup>nd</sup> Floor, North West Avenue, Club Road, West Punjabi Bagh, New 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

\*\* 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	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2020 together with the Reports of the Board of Directors and Auditors thereon.			
2	To appoint a Director in place of Ms. Renu (DIN: 03572788), who retires by rotation, and being eligible, offers himself for re-appointment.			

Signature of shareholder .....

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

Signed this ..... Day of ..... 2020

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. 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.



**Form No. MGT-12****Polling Paper**

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

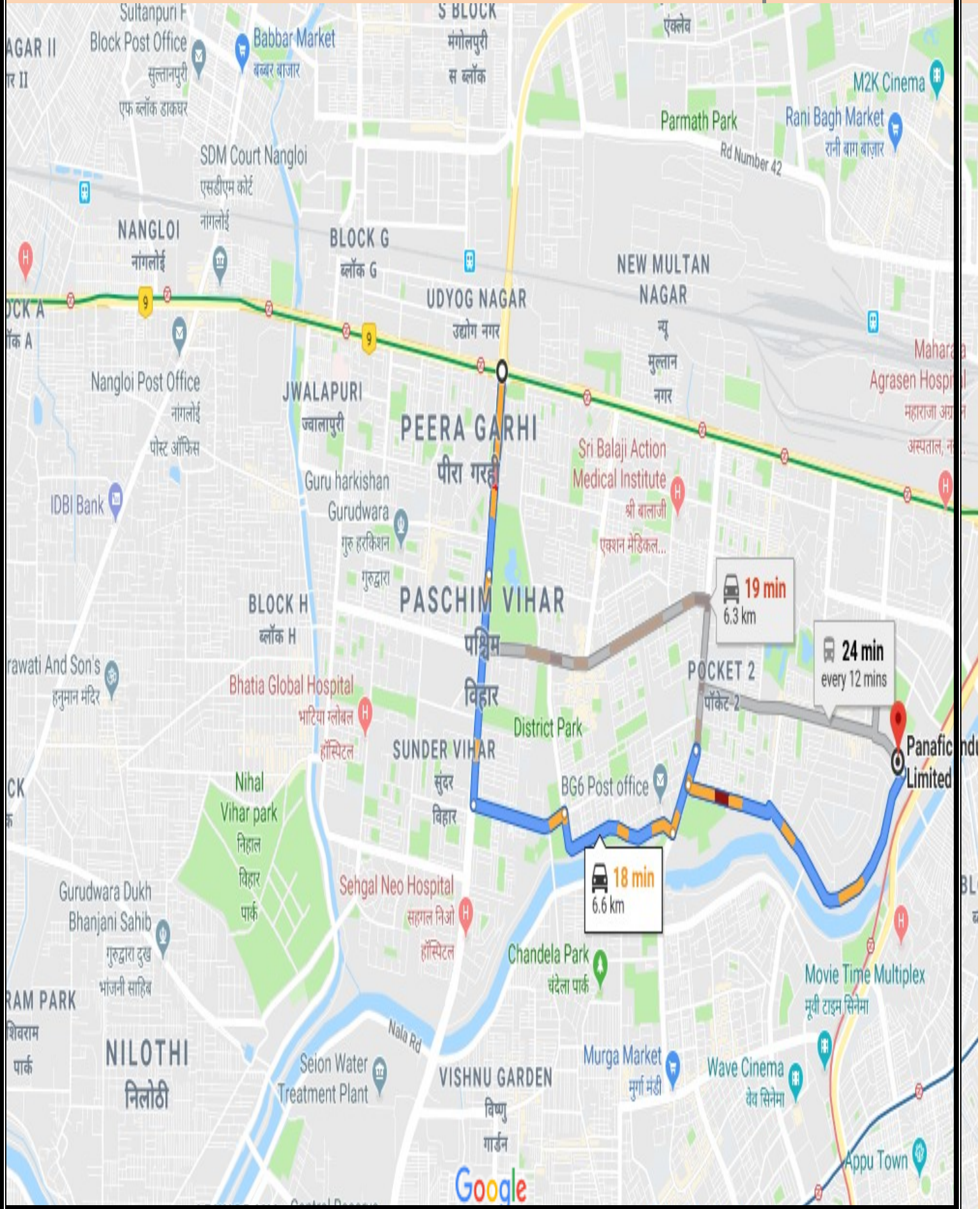
Name of the Company: Panafic Industrials Limited  
 Registered Office: 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, Delhi-110026  
 CIN: L45202DL1985PLC019746

**BALLOT PAPER**

S. No.	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2020 together with the Reports of the Board of Directors and Auditors thereon			
2.	To appoint a Director in place of Ms. Renu (DIN: 03572788), who retires by rotation, and being eligible, offers himself for re-appointment			





**BOARD'S REPORT**

To the Members,

Your Directors are pleased to present the 35<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2020.

**FINANCIAL RESULTS**

The Company's financial performance for the year ended 31<sup>st</sup> March, 2020 is summarized below:

(in Rs.)

Particulars	For The Year Ended	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Total Revenue	63,42,802	10,208,322
Total Expenses	2,29,50,644	72,00,481
Depreciation/Povisions	3,68,225	5,65,057
Profit/(Loss) Before Tax	(16,976,067)	2,442,784
Exceptional and extraordinary items	0	0
Provision for Taxation	(3,256,271)	538,782
<b>Profit/(Loss) After Tax</b>	<b>(13,719,796)</b>	<b>1,904,002</b>
<b>Paid up Equity Capital</b>	<b>82,125,000</b>	<b>82,125,000</b>

**STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS**

The beginning of 2020 has witnesses the global spread of COVID 19, i.e. coronavirus one that profoundly not just impacts economy but the global economy and its people at large. Due to pandemic the Company's business has reduced due to limited participation by the institutional in the stock market activitv of the company. Further Company also lost 10 productive days in Q4 FY20 resulting in lower acquisition of loan accounts.

During the year under review, your company has suffered from loss of Rs.1.37crores as compared to Profit earned of Rs.19.04Lacs in the previous year.

**CHANGE IN THE NATURE OF BUSINESS**

During the financial year under review, no changes have occurred in the nature of the Company's business.

**DIVIDEND**

Your Directors do not recommend any dividend for the financial year 2019-20.

**TRANSFER TO RESERVE**

The Company transferred an amount of Rs. (13,719,796) to the General Reserve for the Financial Year ended 31<sup>st</sup> March, 2020.

**PUBLIC DEPOSITS**

During the year under review, your Company has not invited or accepted any deposits. There are no unpaid or unclaimed deposits as on the date with the Company.

**CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there has been no change in the nature of business of the Company.

**CHANGES IN THE SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2020 was Rs. 8,21,25,000 comprising of 8,21,25,000 Equity Shares of Re.1/- each. During the year under review, the Company has not issued any fresh shares.

**MATERIAL CHANGES AND COMMITMENT – IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT:**

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

**SUBSIDIARIES/JOINT VENTURES/ASSOCIATES**

The Company does not have any Subsidiary/Joint Venture/Associate Company for the year ended on 31<sup>st</sup> March, 2020.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors hereby confirms and accepts the responsibility for the following in respect of the Audited Annual Accounts for the financial year ended March 31, 2020:

- i. That in the preparation of the annual accounts for the financial year ending 31<sup>st</sup> March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. The Directors have prepared the annual accounts of Company on a 'going concern' basis.
- v. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- vi. That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **❖ Board of Directors**

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 Board's 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
1.	Mrs. Sarita Gupta	00113099	Executive Managing Director	30/09/2014
2.	Ms. Renu	03572788	Non-Executive Director	30/09/2014
3.	Mr. Sanjeev Kumar	06625416	Non-Executive Independent Director	09/07/2013
4.	Mr. Shri Kishan Gupta	08430379	Non-Executive Independent Director	24/04/2019

##### **Appointment**

During the year under review, no Director was appointed.

##### **Re-appointment**

Further, the Company wished for the re-appointment Ms. Renu (DIN: 03572788), who retires by rotation in our ensuing 35<sup>th</sup> Annual General Meeting as per the requirement of Section 152(6) of the Companies Act, 2013 and being eligible to offer herself for re-appointment.

##### **Resignation**

During the financial under 2019-20 no director was resigned.

##### **Key Managerial Personnel**

Following officials are appointed as the Key Managerial Personnel ("KMP") of the Company.

##### **Company Secretary & Compliance Officer**

During the year Ms. Megha Jain, Company Secretary and Compliance Officer of the Company resigned from her office w.e.f. 19<sup>th</sup> October, 2019, whereas, in her place, Ms. Priti Gupta was appointed as a Company Secretary and Compliance Officer of the Company w.e.f. 10<sup>th</sup> February, 2020.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

Mr. Sanjeev Kumar and Mr. Shri Kishan Gupta, Independent Directors of the Company have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2016 read with relevant rules thereto.

#### **BOARD AND COMMITTEE MEETINGS**

##### **BOARD MEETINGS**

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are held at the registered office of the Company.

During the year under review, Board of Directors of the Company met 7 times, viz, 24<sup>th</sup> April, 2019, 29<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 03<sup>rd</sup> September, 2019, 23<sup>rd</sup> October, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020.

#### **DIRECTORS ATTENDANCE RECORD AND DETAILS OF DIRECTORSHIPS HELD**

Name of the Directors	No. of Board Meetings attended during Financial Year 2019-20	Whether Previous AGM attended or not	No. of other Directorship in other Public Companies*
Mrs. Sarita Gupta	7	Yes	1
Mr. Shree Kishan Gupta	7	Yes	Nil
Mr. Sanjeev Kumar	7	Yes	Nil
Ms. Renu	7	Yes	1

#### **COMMITTEE MEETINGS**

##### ***A) Audit Committee***

The Company has formed audit committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Audit Committee meeting is generally held one in quarter for the purpose of recommending the quarterly/half yearly/yearly financial results and the gap between two meetings did not exceed on hundred and twenty days. Audit Committee met four times on 29<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020.

The composition of the Committee and the details of meetings attended by its members are given below:-

S. No.	Name of the Director	Designation	Number of meetings during the financial year 2019-2020
--------	----------------------	-------------	--

			Held	Attended
1.	Mrs. Sarita Gupta	Member	4	4
2.	Mr. Shree Kishan Gupta	Member	4	4
3.	Mr. Sanjeev Kumar	Chairman	4	4

**B) Nomination and Remuneration Committee**

The Company has formed Nomination and Remuneration Committee in line with the provisions Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Nomination and Remuneration Committee meetings are generally held for identifying the person who is qualified to become Directors and may be appointed in senior management and recommending their appointment and removal. During the year under review, committee met two times 24<sup>th</sup> April, 2019 and 13<sup>th</sup> August, 2019.

The composition of the Committee and the details of meetings attended by its members are given below:-

S. No.	Name of the Director	Designation	Number of meetings during the financial year 2019-2020	
			Held	Attended
1.	Mr. Shree Kishan Gupta	Member	2	2
2.	Mr. Sanjeev Kumar	Chairman	2	2
3.	Mrs. Sarita Gupta	Member	2	2

**C) Shareholder's/ Investor Grievance Committee**

The Company has constituted Stakeholder's Relationship Committee mainly to focus on the Redressal of Shareholders'/Investors' Grievances, if any, like Transfer/ Transmission/ Demat of Shares, Loss of Share Certificates, Non-receipt of Annual Report, Dividend Warrants, etc. During the year under review, Stakeholder's Grievance & Relationship Committee met four times 29<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020.

The composition of the Committee and the details of meetings attended by its members are given below:-

S. No.	Name of the Director	Designation	Number of meetings during the financial year 2019-20	
			Held	Attended
1.	Mrs. Sarita Gupta	Member	4	4
2.	Mr. Sanjeev Kumar	Chairman	4	4
3.	Mr. Ankur Sharma	Member	4	4

**EXTRAORDINARY GENERAL MEETING**

No Extra Ordinary General Meeting was held during the year 2019-2020.

**COMPANY'S POLICY RELATING TO DIRECTORS' AND KMP'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's policy relating to appointment of Directors and KMP, payment of Managerial remuneration, Directors' qualification, positive attributes, independence of directors and other related matters has been devised as per the provisions given under Section 178(3) of Companies Act, 2013.

#### **CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR**

##### **1. Qualifications of Independent Directors**

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

##### **2. Positive attributes of Independent Directors**

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

##### **3. Independence of Independent Directors**

An Independent director should meet the requirements of the Companies Act, 2013 and Listing Regulations concerning independence of directors.

#### **INDEPENDENT DIRECTORS DECLARATION**

The Company has received the necessary declaration from each ID in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **CERTIFICATE BY PRACTICING COMPANY SECRETARY**

The Company has received certificate from Mr. Mukesh Agarwal Proprietor of Mukesh Agarwal & Co., Practising Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/ Ministry of Corporate of Affairs or any such authority. The certificate is attached as "ANNEXURE C".

#### **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS**

In line with the requirement of Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter-alia the Structure of the Board, Meetings of the Board, Functions of the Board, Degree of fulfillment of key responsibilities, Establishment and delineation of responsibilities to various Committees, Effectiveness of Board Processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has put in place an adequate internal control system to safeguard all assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. It also has a team of internal auditors to conduct internal audit. Audit firms also ensure that all transactions are correctly authorised and reported. The reports are reviewed by the Audit Committee of the Board. Wherever deemed necessary, internal control systems are strengthened and corrective actions initiated.

### **REPORTING OF FRAUDS**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

### **RELATED PARTY TRANSACTIONS**

Details of related party transactions that were entered into during the financial year, if any under the provisions of Section 188 of the Companies Act, 2013 are given in the Financial Statements. There are no materially significant related party transactions made by the company which may have potential conflict with the interest of the Company at large and thus disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is not required in Form AOC 2 as specified under the Companies Act, 2013.

All Related Party Transactions are placed before the Audit and Risk Management Committee for approval as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Prior omnibus approval of the Audit and Risk Management Committee is obtained for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to such omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit and Risk Management Committee on a quarterly basis.

### **LISTING OF EQUITY SHARES**

Your Company's shares are listed with the BSE Limited. The listing fee has been paid for the financial year 2019 - 2020.

### **CORPORATE GOVERNANCE**

Since the paid up capital of the company is less than Rs.10 Crores and the net worth of the Company is less than Rs.25 Crores, the provisions of Regulations 17,18,19,20,21,22,23,24,25,26,27, and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and

Disclosures Requirements) Regulations, 2015, are not applicable to the Company, hence corporate governance report has not been enclosed to directors report.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **(i) Annual overlook and outlook**

It has been a challenging year with several macro headwinds encompassing industrial, infrastructure and real estate market. Slow economic activity and liquidity challenges impacted the overall demand scenario in the industry.

Later part of the year also witnesses an unpredictable outbreak of corona virus sending global economic into tizzy affecting overall economy. Complete lockdown affect the supply chains and consumer sentiments. These disruptions impacted the overall performance of the Company for the year. We are confident to lead the recovery in a shorter period after post pandemic phase and strive to sustain profitable growth.

#### **(ii) Industry Structure and Developments:**

Capital Market is dependent on various external factors beyond the control of the Management. Factors like economy, Industrial Growth, Level of Export, Political Scenario, Reform initiatives of the Government. The participants having any dealing with Capital Market are affected directly by the movement in the market.

#### **(iii) Opportunities & Threats:**

The biggest opportunity for the Indian financial system today is the Indian consumer. Demographic shifts in terms of income levels and cultural shifts in terms of lifestyle aspirations are changing the profile of the Indian consumer. Your Company being an investment Company seeks opportunities in the capital market. The volatility in stock indices in the financial year under report represents both an opportunity and challenge for the Company. Further the impact of stress in the NBFC sector spills over to this year as well, it may lead to lower credit off take from NBFCs, which may dampen growth in consumption spending. The most significant threat for any lending activity is to constantly exhibit operational excellence and contain the loss and mitigate the risks.

Currently the biggest threat is COVID 19 and its impact. It is expected that overall NBFC business will be severely affected which would result to the turning of loan into NPA.

#### **(iv) Future Outlook:**

NBFCs are facing liquidity crisis and that coupled with increasing stress in the corporate segment warrants caution. In fact many corporates were dragged to NCLT under Insolvency and Bankruptcy Code which clearly manifests the stress the corporates are facing. Further, improvements in the capital markets may also positively impact the finance and investment companies. However, the continued deterioration in assets quality and NPA'S are haunting the finance companies.

#### **(v) Risks & concerns:**

In the normal course of business, finance and investment companies are exposed to various risks, namely, Credit Risk, Market Risk and Operational Risk, besides other residual risks such as Liquidity Risk, Interest Rate Risk, Strategic Risk, etc., any company which is in the business of lending, the entire proposition of the Company (providing finance to various segments of the economy) is on the fundamentals of managing the risk rather than avoiding it. Further the risk of market fluctuations will be a major risk associated with the company.

#### **(vi) Internal Control:**

The company has in place adequate internal financial control system. The Company's internal control systems, including



internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and same are adequate and operating effectively. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial control. Your company has taken proper care for the maintenance of adequate accounting records as required by various statutes.

**(vii) Financial performance:**

The financial performance of the company has been covered in the Director's Report.

**(viii) Human Resources:**

The current activities of the Company may not require significant human resource, however to the extent possible requisite personnel have been engaged to take care of organization need of human resources. Accordingly, your Company attributes importance to human resource development activities.

**(ix) Cautionary Statement:**

The statements in this Management Discussion and Analysis describing the Company's objects, projections, estimates, expectations may be construed as "forward-looking" statements within the meaning of applicable securities laws and regulations and such forward looking statements involve risks and uncertainties. Actual results may differ materially from those expressed in this statement. Important factors that could influence the Company's operations include fluctuations in the capital markets, repayments by the borrowers, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements.

## AUDITORS

**Statutory Auditors**

M/s Rohit Suri & Associates, Chartered Accountants will serve as the Statutory Auditors of the Company till the conclusion of the 39<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024. The Company has received a letter from them to the effect that their reappointment, if made, will be in accordance with the provisions of section 139 & 141 of the Act, and are eligible for re-appointment, holding peer review certificate.

**Auditor's Observation**

The existing Statutory Auditors does not contain any qualification, reservation and adverse remarks in their report.

**Secretarial Auditors**

The Board has appointed Ms. Sheetal Bansal, Practicing Company Secretary, to conduct Secretarial Audit for the FY 2019-20. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2020 is at "Annexure A".

The said report does not contain any qualification, reservation and adverse remarks.

**Internal Auditor**

The Companies Act, 2013 has mandated the appointment of Internal Auditor in the Company. Accordingly, the Company has appointed Mr. Vijay Kataria, Chartered Accountant, having ICAI Membership No. 534458 as an Internal Auditor of the Company.

**Cost record and cost audit**

Maintenance of cost records and requirement of cost audit as prescribed under the provision of Section 148(1) of the Companies Act 2013 are not applicable for the business activities carried out by the Companies.

#### **REPORTING OF FRAUD BY AUDITOR**

During the year under review, neither the statutory auditor nor the Secretarial auditor reported to the audit committee, under section 143(12) of the companies Act, 2013, any instance of fraud committed against the company by its officers or employees the details of which would need to be mentioned in the Board's report.

#### **RISK MANAGEMENT**

The Company does not have any formal Risk Management Policy as the elements of risk threatening the company are very minimal. However, on discretionary basis the Company has constituted the Risk Management Committee to cope up with adequate processes and procedures in place to mitigate risks of various kinds, if any, but as no such matter comes before the Board till date, no meeting held as such.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS IN SECURITIES**

Pursuant to section 186 (11) of the Companies Act, 2013 ('Act'), the provisions of section 186(4) of the Act requiring disclosure in the financial statement of the full particulars of the loans made and guarantees given or securities provided by a Non-Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report.

Disclosure of Investment is also exempt for investment made, in respect of investment or lending activities, by a non-banking financial company registered under Chapter III-B of the Reserve Bank of India Act, 1934 and whose principal business is acquisition of securities under section 186(11).

#### **FIXED DEPOSITS**

The Company has not accepted deposit from public during the year and there was no deposit outstanding on 31<sup>st</sup> March, 2019.

#### **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.

#### **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE**

The provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder are not applicable to the Company.

#### **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

1. The Company have promoted ethical behaviour in all its business activities and has established a vigil mechanism for Directors and Employees to report their genuine concerns.
2. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.
3. As per the Whistle Blower Policy implemented by the Company, the Employees are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company.
4. The Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices.

The Whistle Blower Policy has been appropriately communicated within the Company and has also been hosted on the website of the Company [www.panaficindustrialsltd.com](http://www.panaficindustrialsltd.com). No personnel have been denied access to the Audit Committee.

#### **POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company does not have developed and implemented any corporate social responsibility initiatives as the said provisions are not applicable to the Company.

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31<sup>st</sup> March, 2020 forms part of this Report and is appended herewith as "ANNEXURE B".

#### **PARTICULARS OF EMPLOYEES AND REMUNERATION**

None of the Employees of the Company was in receipt of remuneration, which was more than the limits as prescribed under Section 197 of the Companies Act, 2013 read with the Companies (Particulars of Employees) Rules, 1975 and hence no particulars are required to be disclosed in this Report.

#### **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.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant or material orders which were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's Operations in future.

**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**

**Sd/-  
Sarita Gupta  
Director  
DIN: 00113099  
D-158, Pushpanjli Enclave,  
Pitam Pura, Delhi- 110034**

**Sd/-  
Renu  
Director  
DIN: 03572788  
H-3/197, Kuwar Singh Nagar, Najafgarh  
Road, Nangloi, Delhi-110041**

**Place: Delhi  
Date: 5<sup>th</sup> December, 2020**

“Annexure A”

Form No. MR.-3

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**  
**(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**To**  
**The Members**  
**Panafic Industrials Limited**  
**23, II Floor, North West Avenue, Club Road,**  
**West Punjabi Bagh, New Delhi-110026**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PANAFIC INDUSTRIALS LIMITED** (hereinafter called the company) Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on Company's books, papers, minutes books, forms and returns filed and other records maintained by the company as given in **Annexure A** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> march 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts ( Regulations) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depository Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. Reserve Bank of India Act, 1934
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

The specific regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- a. Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015;

During the year under review, the Company has filed its quarterly, half yearly and yearly returns as required under regulation 7, 13, 27, 30, 31, 34, 40, 55A, 44 and other applicable regulation with BSE. The Company has disclosed the relevant material facts and events to the Stock Exchange in time.

- b. Securities and Exchange Board of India (Secretarial Acquisition of Shares and Takeovers) Regulations, 2015;  
**During the year under review, the Company has not received any communication for substantial Acquisition of Shares and takeovers of the Company.**
- c. Securities and exchange Board of India (Share Based Employee Benefits) Regulations, 2014;  
**During the year under review, the Company has not issued any shares / securities to its employee.**
- d. Securities and Exchange Board of India (issue and Listing of Non-Convertible and redeemable Preference Shares) Regulation, 2013;  
**During the year under review, the Company has not issued any Non-Convertible and redeemable Preference Shares.**
- e. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
**During the year under review, the Company has received declaration from the Promoters, Directors and Senior Managerial Personnel as required regarding the holding of Company securities and there was no trading in the securities of the Company by the Promoters, Directors and Senior Managerial Personnel.**
- f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;  
**During the year under review, the Company has not issued any securities.**
- g. Securities and Exchange Board of India (Issue & Listing of Debt Securities) Regulation, 2008  
**During the year under review, the Company has not issued any debt securities.**
- h. The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999  
**During the year under review, the Company has not issued any shares /options to Directors/employees under the said guidelines/ Regulations); and**
- i. Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018  
**During the year under review, the Company has not brought back any of its securities.**
- j. Other Law as applicable specifically to the Company as identified by the management, that is to say:
  - a) Factories Act, 1948
  - b) Minimum Wages Act, 1948
  - c) Employees 'Provident Funds and miscellaneous Provisions Act, 1952
  - d) Payment of Bonus Act, 1965
  - e) Employees' State Insurance Act, 1948
  - f) Payment of Gratuity Act, 1972
  - g) Industrial Disputes Act, 1947

We have examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations;

The Company received Notice from SEBI passed in respect of late filing under regulation 13(3) and Regulation 31 of SEBI (LODR) Regulations, 2015. Payment of penalties imposed by SEBI is still pending.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. Mr. Shri Kishan Gupta stepped in the Board as Non executive Independent Director during the period under review.

Adequate Notice is given to all the Directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance and a system exist for seeking and obtained further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that, as per the representation made by the management, during the audit period the company has not carried on any specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**For Sheetal Bansal & Associates**

**Sd/-**

**Sheetal Bansal**

**Company Secretary**

**Proprietor**

**C.P.No. 22284**

**Annexure I**

**To**  
**The Members**  
**Panafic Industrials Limited**  
**23, II Floor, North West Avenue, Club Road,**  
**West Punjabi Bagh, New Delhi-110026**

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

1. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as we were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The Verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. We have not checked the compliances of general law applicable to the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Sheetal Bansal & Associates**

**Sd/-**  
**Sheetal Bansal**  
**Company Secretary**  
**Proprietor**  
**C.P.No. 22284**



"Annexure-B"

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

<b>CIN</b>	L45202DL1985PLC019746
<b>Registration Date</b>	01 <sup>st</sup> January, 1985
<b>Name of the Company</b>	Panafic Industrials Limited
<b>Category/Sub-category of the Company</b>	Company having Share Capital
<b>Address of the Registered office &amp; contact details</b>	23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110026 Ms. Megha Jain (Company Secretary & Compliance Officer) Ph:- 01125223461
<b>Whether listed company</b>	Yes (Bombay Stock Exchange-BSE)
<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Skyline Financial Services Private Limited D-153 A, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Ph: 01140450193-97

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

SL. NO.	NAME AND DESCRIPTION MAIN PRODUCT/SERVICE	NIC CODE OF THE PRODUCTS/SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1.	Trading and Investment in securities and Loans	64990	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Company has no Holding, Subsidiary and Associate Companies as on 31<sup>st</sup> March, 2020

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	% Cha
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	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Change during the year
<b>A. Promoter's</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5152270	10230	5162500	6.29	5652270	10230	5662500	6.89	0.60
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any other	0	0	0	0	0	0	0	0	0.00
<b>Total shareholding of Promoter (A)</b>	<b>5152270</b>	<b>10230</b>	<b>5162500</b>	<b>6.29</b>	<b>5652270</b>	<b>10230</b>	<b>5662500</b>	<b>6.89</b>	<b>0.60</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	0	0	0	0	0	0	0	0	0.00
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	0	0	0	0	48	0	48	0.0001	0.0001
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>0</b>	<b>48</b>	<b>0.0001</b>	<b>0.0001</b>
<b>2. Non-Institutions</b>									

<b>a) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	28474000	733980	29207980	35.57	27671239	733980	28405219	34.58	(0.99)
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	19568706	0	19568706	23.83	21114352	0	21114352	25.71	1.88
<b>b) Body Corporate</b>									
(i) Indian	25559621	290540	28166400	34.30	25559621	0	25559621	31.12	(3.18)
(ii) Overseas	0	0	0	0	0	0	0	0	0
<b>(c) Others</b>									
NRI	0	0	0	0	301611	0	301611	0.36	0.36
HUF	0	0	0	0	786821	290540	1077361	1.31	1.31
Clearing Members	4288	0	4288	0.02	4288	0	4288	0.005	0.00
Trusts	0	0	0	0	0	0	0	0	0.00
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(2):-</b>	<b>75937980</b>	<b>1024520</b>	<b>76962500</b>	<b>93.72</b>	<b>75437932</b>	<b>1024520</b>	<b>80462452</b>	<b>93.11</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>75937980</b>	<b>1024520</b>	<b>76962500</b>	<b>93.72</b>	<b>75437932</b>	<b>1024520</b>	<b>75437932</b>	<b>93.11</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>81090250</b>	<b>1034750</b>	<b>82125000</b>	<b>100</b>	<b>81090250</b>	<b>1034750</b>	<b>82125000</b>	<b>100</b>	<b>0.00</b>

**B) Shareholding of Promoter:**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rajeev Kumar Gupta	1500000	1.83	0	1500000	1.83	0	0.00
2	Sarita Gupta	2662500	3.24	0	2662500	3.24	0	0.00

3	Saroj Gupta	500000	0.61	0	1000000	1.22	0	0.00
4	Anil Gupta	500000	0.61	0	500000	0.61	0	0.00

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SUVIDHA BUILDTECH PRIVATE LIMITED	7132075	8.68	7132075	8.68
2	RAMA KRISHNA INFRASOL PRIVATE LIMITED	2811376	3.42	3144652	3.82
3	ABLAZE TOUR AND TRAVELS PRIVATE LIMITED	2322894	2.83	2583625	3.14
4	P SADHNA	1913872	2.33	1913872	2.33
5	R SRINATH	1809778	2.20	1809778	2.20
6	SARATH CH	1605845	1.96	1774105	1.96
7	BELL FLOWER INFRABUILD PRIVATE LIMITED	1174410	1.43	1677725	2.04
8	WEEKLINE INVESTMENT AND TRADING COMPANY LIMITED	0	0	1629464	1.98
9	RAM SAGAR SINGH	0	0	1602013	1.95
10	VAIBHAV DAMODAR KHEDEKAR	1500068	1.83	1500068	1.83

**D) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SARITA GUPTA	2662500	3.24	2662500	3.24

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:- (Amount in Rs.)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	14,23,933	3,80,95,222	0	3,95,19,155
ii) Interest accrued but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>14,23,933</b>	<b>3,80,95,222</b>	<b>0</b>	<b>3,95,19,155</b>
Change in Indebtedness during the financial year				

Addition	0	5,28,97,300	0	5,28,97,300
Reduction	(4,45,870)	0	0	(4,45,870)
<b>Net Change</b>	<b>(4,45,870)</b>	<b>5,28,97,300</b>	<b>0</b>	<b>5,24,51,430</b>
<b>Indebtedness at the end of the financial year</b>				
i)Principal Amount	9,78,063	9,09,92,522	0	9,19,70,585
ii)Interest accrued but not paid	0	0	0	0
iii)Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>9,78,063</b>	<b>9,09,92,522</b>	<b>0</b>	<b>9,19,70,585</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/or Manager:-

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Mnager			Total Amount in Lacs
1.	Gross Salary	-	-	-	-
	(a)Salary as per provisions contained in section 17(1) of the Income Act, 1961	-	-	-	-
	(b)Value of perquisites u/s 17(2) of the Income Act, 1961	-	-	-	-
	(c )Profits in lieu of salary under section 17(3) of the Income Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	-as % profit	-	-	-	-
	-others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	-	-

### B. Remuneration to Other Directors:

S. No.	PARTICULARS OF REMUNERATION	Name of Director	TOTAL AMOUNT
1	<b>Independent Directors</b>		
	• Fee for attending board /committee meetings		-
	• Commission		-
	• Others, Please specify		-
2.	<b>Other Non-Executive Directors</b>		
	• Fee for attending board /committee meetings		-
	• Commission		-
	Others, Please specify		-
	<b>Total(2)</b>		-
	<b>Total (B) =(1+2)</b>		-

## C. Key Managerial Personnel other than MD/WTD/Manager:

S. No.	PARTICULARS OF REMUNERATION	NAME OF KEY MANAGERIAL PERSONNEL			TOTAL AMOUNT
		Name	Sarita Gupta	Megha Jain	
		CFO	CS	CS	
1	<b>Gross Salary</b> a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	210000	35000	245000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>210000</b>	<b>35000</b>	<b>245000</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NONE		
Compounding					

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

**Sd/-  
Sarita Gupta  
Director  
DIN: 00113099  
D-158, Pushpanjli Enclave,  
Pitam Pura, Delhi- 110034**

**Sd/-  
Renu  
Director  
DIN: 03572788  
H-3/197, Kuwar Singh Nagar, Najafgarh  
Road, Nangloi, Delhi-110041**

**Place: Delhi  
Date: 05<sup>th</sup> December, 2020**

**ANNEXURE-C**  
**CERTIFICATE PERTAINING TO DISQUALIFICATION OF DIRECTORS**

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
**Panafic Industrials Limited (“the Company”)**  
23, II<sup>nd</sup> Floor, North West Avenue, Club Road,  
West Punjabi Bagh, New Delhi-110026

We, Sheetal Bansal & Associates., have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Panafic Industrials Limited having CIN L45202DL1985PLC019746 and having registered office at **23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110026** (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications **(including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in))** as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name Of Director	DIN	Date of Appointment in Company
1.	Sarita Gupta	00113099	30/09/2014
2.	Renu	03572788	30/09/2014
3.	Shree Kishan Gupta	08430379	24/04/2019
4.	Sanjeev Kumar	06625416	09/07/2013

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Sheetal Bansal & Associates.**  
**Company Secretary**  
Sd/-

**Sheetal Bansal**  
**Proprietor**  
**C.P. No. 22284**



**Independent Auditor's Report****To the Members of Panafic Industrials Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Panafic Industrials Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

We draw your attention to Note 31 to financial statements which explains the management's assessment of the financial impact on the financial statements of the Company due to lockdown and other restriction imposed by the Government of India and other conditions related to the COVID-19 pandemic situation due to which the Company's business may also be affected in short to medium term.

Our opinion is not modified in respect of abovementioned matter.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's Annual Report ,if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's Responsibility for the Financial Statements**

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) . This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p>Beginning 1 April 2019, the Company for the first time had to adopt IND AS with a transition date of April 1, 2018.</p> <p>Consequently, the financial results for quarter 1 to quarter 3 and the comparatives along with the quarterly/ half-yearly results were not Ind-AS Compliant.</p>	<p>The Company has prepared Ind-AS compliant financial statements and the results w.e.f. quarter 4 onwards are IndAS compliant.</p>

### Report on Other Legal and Regulatory Requirements

1) The Company has not paid any managerial remuneration during the year, hence, the provisions of and limits laid down under Section 197 read with Schedule V to the Act are not applicable.

2) As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the

Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

3) Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in the financial statements- Refer note no 35 of the financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;

(iv) The disclosure in the financial statements regarding holding as well as dealing in specified bank notes during the period from 08 November 2016 to 30 December 2016 have not been made in the since they do not pertain to the financial year ended 31 March 2020.

**FOR ROHIT SURI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 012259N**

**Sd/-  
ROHIT SURI  
PROPRIETOR  
M.No 091064**

Place: New Delhi  
Date: Sep.20,2020  
**UDIN: 20091064AAAAHM9752**

PANAFIC

**“Annexure A” to the Independent Auditor’s Report**

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Member of Panafic Industrials Limited of even date)**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- 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 are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) As informed to us, the Company does not own any immovable property, hence, clause 3(i)(c) of the order is not applicable.
- ii. As informed to us, the Company does not hold any inventory; hence clause 3(ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured to other parties covered in the register maintained under Section 189 of the Act. Further, there are no limited liability partnerships or firms which are covered in the register maintained under Section 189 of the Act; hence clause 3(iii) of the Order is not applicable.
- iv. According to the information and explanations given to us, the Company has not given any loans and guarantees, to parties covered under section 185 and 186 of the Companies Act, 2013.
- v. In our opinion, and according to explanations given to us, the Company has not accepted any deposits from public to which directives issued by Reserve Bank of India and provisions of Section 73 to 76 of the Companies Act, 2013 including rules framed there under apply
- vi. The Company is a Non-Banking finance Company hence clause 3 (vi) of the order regarding compliance of maintenance of cost records under sub-section (1) of Section 148 of the Act is not applicable on the Company.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service tax, Goods and Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Value added-tax, Sales-tax, Cess, Duty of excise and Duty of customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Provident Fund, Service tax, Good and Service tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues on account of Income-tax, Goods and service tax, Provident Fund and Service tax which have not been deposited with the appropriate authorities on account of dispute as at 31 March 2020.

- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any banks or financial institutions; hence clause 3(viii) of the order is not applicable.
- ix. According to the information and explanations given to us and our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable..
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has not paid any managerial remuneration during the year hence clause 3(xi) of the order is not applicable.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements, as required, by the applicable accounting standards.



- xiv. According to the information and explanations given to us and on an examination of the records maintained by the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is registered under Section 45-1A of the Reserve Bank of India Act, 1934. We have obtained copy of the registration certificate of the Company.

**FOR ROHIT SURI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 012259N**

**Sd/-  
ROHIT SURI  
PROPRIETOR  
M.No 091064**

Place: New Delhi

Date: Sep.20,2020

**UDIN: 20091064AAAAHM9752**

**“Annexure B” to the Independent Auditor’s Report**

(Referred to in paragraph 3(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Member of Panafic Industrials Limited of even date)

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

We have audited the internal financial controls over financial reporting of Panafic Industrials Limited (“the Company”) as of 31 March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR ROHIT SURI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 012259N**

Sd/-  
**ROHIT SURI  
PROPRIETOR  
M.No 091064**

Place: New Delhi  
Date: Sep.20,2020  
**UDIN: 20091064AAAAHM9752**

Panafic Industrials Limited				
Balance Sheet				
As at 31 March 2020				
				(All amounts in Rs.)
		As at		
Particulars	Note No	31 March 2020	31 March 2019	31 March 2018
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3	5,52,542	67,63,809	6,28,707
Loans	4	16,71,17,706	12,53,79,968	14,78,29,002
Other financial assets		2,39,334	-	-
		<b>16,79,09,582</b>	<b>13,21,43,777</b>	<b>14,84,57,709</b>
<b>Non-financial assets</b>				
Current tax assets (net)		5,38,977	7,28,346	10,68,680
Deferred tax assets (net)	5	36,22,662	3,66,391	2,15,051
Property, plant and equipment	6	6,87,513	10,55,738	16,20,795
Other non-financial assets	7	10,00,000	45,633	47,398
		<b>58,49,152</b>	<b>21,96,108</b>	<b>29,51,924</b>
<b>Total assets</b>		<b>17,37,58,734</b>	<b>13,43,39,885</b>	<b>15,14,09,633</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Financial liabilities</b>				
Trade payables	8			
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues of other than micro enterprises and small enterprises		1,93,268	1,11,333	1,04,839
Borrowings	9	9,19,70,585	3,95,19,155	5,73,77,771
Other financial liabilities	10	-	-	7,30,000
		<b>9,21,63,853</b>	<b>3,96,30,488</b>	<b>5,82,12,610</b>
<b>Non-financial liabilities</b>				
Current tax liabilities (net)		-	-	3,91,628
Other non-financial liabilities	11	6,05,280	-	-
		<b>6,05,280</b>	<b>-</b>	<b>3,91,628</b>
<b>Equity</b>				
Equity share capital	11	8,21,25,000	8,21,25,000	8,21,25,000
Other equity	13	(11,35,399)	1,25,84,397	1,06,80,395
		<b>8,09,89,601</b>	<b>9,47,09,397</b>	<b>9,28,05,395</b>
<b>Total liabilities and equity</b>		<b>17,37,58,734</b>	<b>13,43,39,885</b>	<b>15,14,09,633</b>
Summary of significant accounting policies				
The accompanying notes are an integral part of the financial statements				
As per our report of even date		On behalf of the Board of Directors		
<b>For Rohit Suri &amp; Associates</b>				
Chartered Accountants				
ICAI Firm Registration number : 012259N		Sd/-		Sd/-
		<b>Sanjeev Kumar</b>		<b>Sarita Gupta</b>
		Director		Director & CFO
		DIN: 06625416		DIN: 0113099
Sd/-				
<b>Rohit Suri</b>				
Proprietor				
Membership number 091064				
Date : 20.09.2020		Sd/-		
Place : New Delhi		<b>Priti Gupta</b>		
		Company Secretary		

Panafic Industrials Limited  
Statement of Profit and Loss  
For the year ended 31 March 2020

		(All amounts in Rs.)	
		For the year ended	
Particulars	Note No	31 March 2020	31 March 2019
<b>Revenue from operations</b>			
Interest income	14	63,06,454	1,02,08,322
<b>Total revenue from operations</b>		<b>63,06,454</b>	<b>1,02,08,322</b>
Other income	15	36,348	-
<b>Total income</b>		<b>63,42,802</b>	<b>1,02,08,322</b>
<b>Expenses</b>			
Finance costs	16	71,86,492	1,50,018
Impairment on financial instruments	17	1,28,51,382	11,57,582
Employee benefits expenses	18	15,72,271	43,93,774
Depreciation and amortisation expenses	6	3,68,225	5,65,057
Other expenses	19	13,40,499	14,99,107
<b>Total expenses</b>		<b>2,33,18,869</b>	<b>77,65,538</b>
<b>Profit before tax</b>		<b>(1,69,76,067)</b>	<b>24,42,784</b>
Tax expense			
Current tax		-	6,90,123
Deferred tax (credit)/charge		(32,56,271)	(1,51,341)
<b>Total tax expense</b>		<b>(32,56,271)</b>	<b>5,38,782</b>
<b>Profit after tax</b>		<b>(1,37,19,796)</b>	<b>19,04,002</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss:			
Items that will be reclassified to profit or loss in subsequent periods:			
<b>Other comprehensive income for the year (net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(1,37,19,796)</b>	<b>19,04,002</b>
Weighted average number of shares for calculating basic and diluted Earning per share		8,21,25,000	8,21,25,000
<b>Earnings per share</b>		(0.17)	0.02
(Nominal value Rs. 1/- per share)			
Summary of significant accounting policies			
The accompanying notes are an integral part of the financial statements			
As per our report of even date <b>For Rohit Suri &amp; Associates</b> Chartered Accountants ICAI Firm Registration number : 012259N		On behalf of the Board of Directors	
		Sd/- <b>Sanjeev Kumar</b> Director DIN: 06625416	Sd/- <b>Sarita Gupta</b> Director & CFO DIN: 0113099
Sd/- <b>Rohit Suri</b> Proprietor Membership number 091064			
Date : 20.09.2020		Sd/- <b>Priti Gupta</b>	
Place : New Delhi		Company Secretary	

Panafic Industrials Limited			
Statement of cash flows			
For the year ended 31 March 2020			
(All amounts in Rs.)			
For the year ended			
Particulars	31 March		31 March
	2020		2019
<b>A. Cash flows from operating activities</b>			
Profit before tax	(1,69,76,067)		24,42,784
<u>Adjustments for:</u>			
Depreciation	3,68,225		5,65,057
Impairment on Financial Instruments	1,28,51,382		11,57,582
<i>Operating Profit before working capital changes</i>	<b>(37,56,460)</b>		<b>41,65,423</b>
(Increase)/ Decrease in loans & advances	(5,48,28,454)		2,12,91,452
(Increase)/ Decrease in other non-financial assets	(9,54,367)		1,766
Increase/ (Decrease) in other trade payables	81,935		6,494
Increase/ (Decrease) in other financial liabilities	-		(7,30,000)
Increase/ (Decrease) in other non-financial liabilities	6,05,280		-
<b>Cash flows / (cash used in) Operations</b>	<b>(5,88,52,066)</b>		<b>2,47,35,135</b>
Income Taxes Paid	1,89,369		(7,41,417)
<b>Net Cash flows/ (cash used in) Operating Activities (A)</b>	<b>(5,86,62,697)</b>		<b>2,39,93,718</b>
<b>B. Cash Flows from Investing Activities</b>	-		-
<b>C. Cash flows from financing activities</b>			
Proceeds/(Repayment) from Borrowings (other than debt securities)	5,24,51,430		(1,78,58,616)
<b>Net Cash from Financing Activities (C)</b>	<b>5,24,51,430</b>		<b>(1,78,58,616)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(62,11,267)</b>		<b>61,35,102</b>
Cash and cash equivalents at beginning of year	67,63,809		6,28,707
<b>Cash and cash equivalents at end of year</b>	<b>5,52,542</b>		<b>67,63,809</b>
<b>Notes :</b>			
1	The cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standards (Ind AS 7) statement of cash flow.		
2	The significant accounting policies and notes to the financial statements form an integral part of the Cash Flow Statement.		

As per our report of even date

**For Rohit Suri & Associates**

Chartered Accountants

ICAI Firm Registration number : 012259N

Sd/-

**Rohit Suri**

Proprietor

Membership number 091064

Date : 20.09.2020

Place : New Delhi

On behalf of the Board of Directors

Sd/-

Sd/-

**Sanjeev Kumar****Sarita Gupta**

Director

Director &amp; CFO

DIN: 06625416

DIN: 0113099

Sd/-

**Priti Gupta**

Company Secretary

Panafic Industrials Limited  
Statement of changes in equity  
for the year ended 31 March 2020

(All amounts in Rs.)

	For the year ended				
	31 March 2020		31 March 2019		
<b>Equity share capital</b>					
Balance at the beginning of the year			8,21,25,000		8,21,25,000
changes in equity share capital during the year (refer note : 10)			-		-
<b>Balance at the end of the year</b>			<b>8,21,25,000</b>		<b>8,21,25,000</b>
<b>Other equity</b>					
	<b>Reserve and surplus</b>				
	Retained earnings	Reserve fund as per RBI Act	General reserve	Other comprehensive income	<b>Total other equity</b>
Balance as at 1 April 2018	-	19,27,092	87,53,303		1,06,80,395
Profit after tax	19,04,002			-	19,04,002
Other comprehensive income (net of tax)					-
	19,04,002	19,27,092	87,53,303	-	1,25,84,397
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(3,80,800)	3,80,800			-
Transfer to general reserve	(15,23,202)		15,23,202		-
<b>Balance as at 31 March 2019</b>	-	<b>23,07,892</b>	<b>1,02,76,505</b>	-	<b>1,25,84,397</b>
Balance as at 1 April 2019	-	23,07,892	1,02,76,505	-	1,25,84,397
Profit after tax	(1,37,19,796)			-	(1,37,19,796)
Other comprehensive income (net of tax)					-
	(1,37,19,796)	23,07,892	1,02,76,505	-	(11,35,399)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-				-
Transfer to general reserve	1,37,19,796		(1,37,19,796)		-
<b>Balance as at 31 March 2020</b>	-	<b>23,07,892</b>	<b>(34,43,291)</b>	-	<b>(11,35,399)</b>
As per our report of even date <b>For Rohit Suri &amp; Associates</b> Chartered Accountants ICAI Firm Registration number : 012259N				On behalf of the Board of Directors	
Sd/- <b>Rohit Suri</b> Proprietor Membership number 091064 Date : 20.09.2020 Place : New Delhi				Sd/- <b>Sanjeev Kumar</b> Director DIN: 06625416	Sd/- <b>Sarita Gupta</b> Director & CFO DIN: 0113099
				Sd/- <b>Priti Gupta</b> Company Secretary	



Panafic Industrials Limited Notes to the financial statements for the year ended 31 March 2020			(All amounts in Rs.)		
			As at		
			31 March 2020	31 March 2019	31 March 2018
3.	<b>Cash and cash equivalents</b>				
	Cash on hand		4,45,831	5,11,773	12,048
	Balance with banks in current account		1,06,711	62,52,036	6,16,659
			5,52,542	67,63,809	6,28,707
4.	<b>Loans</b>				
A	Loans repayable on demand		18,04,12,214	12,58,23,094	14,81,99,501
	Less: Impairment loss allowance		(1,32,94,508)	(4,43,126)	(3,70,499)
	<b>Total (A)</b>		<b>16,71,17,706</b>	<b>12,53,79,968</b>	<b>14,78,29,002</b>
B	<b>Out of above</b>				
	Secured		-	-	-
	Unsecured		18,04,12,214	12,58,23,094	14,81,99,501
	Less: Impairment loss allowance		(1,32,94,508)	(4,43,126)	(3,70,499)
			16,71,17,706	12,53,79,968	14,78,29,002
C	<b>Out of above</b>				
(i)	Loans in India				
	Public sector		-	-	-
	Less: Impairment loss allowance		-	-	-
			-	-	-
(ii)	Others		18,04,12,214	12,58,23,094	14,81,99,501
	Less: Impairment loss allowance		(1,32,94,508)	(4,43,126)	(3,70,499)
			16,71,17,706	12,53,79,968	14,78,29,002
(iii)	<b>Total (i+ii)</b>		<b>16,71,17,706</b>	<b>12,53,79,968</b>	<b>14,78,29,002</b>
(iv)	Loans outside India		-	-	-
	Less: Impairment loss allowance		-	-	-
			-	-	-
	<b>Total C (iii+iv)</b>		<b>16,71,17,706</b>	<b>12,53,79,968</b>	<b>14,78,29,002</b>
D	<b>Summary of loans by stage of distribution</b>				
	Standard assets		4,86,84,239	12,58,23,094	14,81,99,501
	Less: Impairment loss allowance		(1,21,711)	(3,14,558)	(3,70,499)
			4,85,62,528	12,55,08,536	14,78,29,002
	Sub-standard assets		13,17,27,975	-	-
	Less: Impairment loss allowance		(1,31,72,797)	-	-
			11,85,55,177	-	-
	Doubtful assets		-	(1,28,568)	-
	Less: Impairment loss allowance		-	(1,28,568)	-
			-	-	-
	Loss assets		-	-	-
	Less: Impairment loss allowance		-	-	-
			-	-	-
	<b>Total</b>		<b>16,71,17,706</b>	<b>12,53,79,968</b>	<b>14,78,29,002</b>



10. Other financial liabilities					
Salary, bonus and other employee payables			-	-	7,30,000
			-	-	7,30,000
11. Other non-financial liabilities					
Statutory dues			6,05,280	-	-
			6,05,280	-	-
12. Equity share capital					
<b>Authorised</b>					
100,000,000 (31 March 2019 100,000,000 ; 31 March 2018 100,000,000) shares of Re. 1 each			10,00,00,000	10,00,00,000	10,00,00,000
			10,00,00,000	10,00,00,000	10,00,00,000
<b>Issued subscribed and paid up</b>					
82,125,000 (31 March 2019 82,125,000; 31 March 2018 821,25,000) shares of Re. 1 each			8,21,25,000	8,21,25,000	8,21,25,000
			8,21,25,000	8,21,25,000	8,21,25,000
<b>A Reconciliation of the shares outstanding at the beginning and at the end of the year</b>					
				Nos	Amount (Rs.)
<b>As at 1 April 2018</b>				8,21,25,000	8,21,25,000
Add : Issued during the year				-	-
Less: Bought back during the year				-	-
<b>As at 31 March 2019</b>				8,21,25,000	8,21,25,000
Add : Issued during the year				-	-
Less: Bought back during the year				-	-
<b>As at 31 March 2020</b>				8,21,25,000	8,21,25,000
<b>B Terms/rights/restrictions attached to equity shares</b>					
The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. 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.					
<b>C Details of shareholders holding more than 5% shares in the Company (Face value Re. 1 per share)</b>					
Vimalchand Karamchand Ranka			-	-	50,03,674
Suidha Buildtech Private Limited			71,32,075	71,32,075	-
13. Other equity					
<b>A Retained earnings</b>					
Balance at the beginning of the year			-	-	
Profit for the year			(1,37,19,796)	19,04,002	
			(1,37,19,796)	19,04,002	-
<b>Appropriations</b>					
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934			-	(3,80,800)	
Transfer to general reserve			1,37,19,796	(15,23,202)	
			1,37,19,796	(19,04,002)	-
<b>Balance at the end of the year</b>					
			-	-	-
<b>B Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934</b>					
Balance at the beginning of the year			23,07,892	19,27,092	
Transferred during the year			-	3,80,800	
<b>Balance at the end of the year</b>			23,07,892	23,07,892	19,27,092

C	<b>General reserve</b>					
	Balance at the beginning of the year			1,02,76,505	87,53,303	
	Transferred during the year			(1,37,19,796)	15,23,202	
	Balance at the end of the year			(34,43,291)	1,02,76,505	87,53,303
	<b>Total other equity (A+B+C)</b>			<b>(11,35,399)</b>	<b>1,25,84,397</b>	<b>1,06,80,395</b>
	<b>Nature and purpose of other equity</b>					
	<b>Retained earnings</b>					
	Retained earnings represents the surplus in profit and loss account and appropriations.					
	<b>Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934</b>					
	Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.					
	<b>General reserve</b>					
	Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law					

Panafic Industrials Limited			
Notes to the financial statements			
for the year ended 31 March 2020			
		(All amounts in Rs.)	
		For the year ended	
		31 March	31 March
		2020	2019
<b>14. Interest income</b>			
On loans		63,06,454	1,02,08,322
		<u>63,06,454</u>	<u>1,02,08,322</u>
<b>15. Other income</b>			
Interest on income tax refund		36,348	-
		<u>36,348</u>	<u>-</u>
<b>16. Finance cost</b>			
Interest on borrowings		71,81,291	1,43,459
Other borrowing costs		5,201	6,559
		<u>71,86,492</u>	<u>1,50,018</u>
<b>17. Impairment on financial instruments</b>			
Loans		1,28,51,382	11,57,582
		<u>1,28,51,382</u>	<u>11,57,582</u>
<b>18. Employee benefits expenses</b>			
Salaries and wages		15,72,271	43,93,774
		<u>15,72,271</u>	<u>43,93,774</u>
<b>19. Other expenses</b>			
Printing and stationery		28,245	35,912
Accountancy charges		1,43,000	83,750
Advertisement		21,876	32,086
Audit fees *		17,700	17,700
Car running and maintenance		-	2,64,342
Reversal of interest on non performing assets		4,24,925	-
Listing fees		4,84,116	4,68,879
Fees and subscription		11,800	11,800
Rent		-	1,20,000
Penalty of non-compliance		1,17,537	-
Insurance expenses		45,633	49,765
Website expense		-	4,130
Legal and professional		19,000	18,402
Repair and maintenance		26,067	3,51,407
Electricity expenses		-	40,934
Miscellaneous		600	-
		<u>13,40,499</u>	<u>14,99,107</u>
* Audit fees includes (excluding goods and service tax):			
As auditors		17,700	17,700
		<u>17,700</u>	<u>17,700</u>

Panafic Industrials Limited							
Statement of changes in equity							
for the year ended 31 March 2020							
(All amounts in Rs.)							
<b>19. Segment information</b>							
The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic.							
<b>20. Contingent liabilities and commitments</b>							
				For the year ended			
				<b>31 March</b>		<b>31 March</b>	
				<b>2020</b>		<b>2019</b>	
Contingent liabilities				-		-	
Commitments				-		-	
<b>21. Changes in liability</b>							
The Company does not have any financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.							
<b>22. Disclosure of transactions with related parties as required by Ind AS 24</b>							
<b>(i) Key managerial personnel and their relatives</b>							
Sarita Gupta		Director and CFO					
Renu		Director					
Ankur Sharma		Director					
Sanjeev Kumar		Director					
<b>(ii) There were no related party transactions made during the year,</b>							

## 1. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended 31 March 2019, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2020 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 27.

### Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

### Critical accounting and judgments

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based.

## 2. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### i. Income

**a) Interest income**

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets, the Company recognises interest income on the basis of **Master Circular (RBI/2015-16/101) - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances** as set out in Note no 2(iv). If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

**b) Dividend income**

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**c) Income from trading in securities**

Gains / losses on dealing in securities are recognized on a trade date basis.

**d) Net gain on fair value changes**

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognises gains/losses on fair value change of financial assets measured as FVTPL and realised gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

e) Incomes are recognised net of applicable taxes, if any.

**ii. Expenditures****a) Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR.



- b) Expenses are recognised net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

iii. **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

iv. **Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognizes the financial instruments on settlement date.

a) **Initial measurement**

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

*Subsequent measurement*

For the purpose of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at FVOC
- Debt instruments at FVTPL
- Equity instruments designated at FVOCI

The Company recognizes all the financial assets and liabilities at its fair value on initial recognition; In the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset are added to the fair value on initial recognition. The financial assets are accounted on a trade date basis.

For subsequent measurement, financial assets are categorised into:

**Amortised cost:** The Company classifies the financial assets at amortised cost if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the assets are held under a business model to collect contractual cash flows. The gains and losses resulting from fluctuations in fair value are not recognised for financial assets classified in amortised cost measurement category.

**Fair value through other comprehensive income (FVOCI):** The Company classifies the financial assets as FVOCI if the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding and the Company's business model is achieved by both collecting contractual cash flow and selling financial assets. In case of debt instruments measured at FVOCI, changes in fair value are recognised in other comprehensive income. The impairment gains or losses, foreign exchange gains or losses and interest calculated using the effective interest method is recognised in profit or loss. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is re-classified from equity to profit or loss as a reclassification adjustment. In case of equity instruments irrevocably designated at FVOCI, gains/ losses including relating to foreign exchange, are recognised through other comprehensive income. Further, cumulative gains or losses previously recognised in other comprehensive income remain permanently in equity and are not subsequently transferred to profit or loss on derecognition.

**Fair value through profit or loss (FVTPL):** The financial assets are classified as FVTPL if these do not meet the criteria for classifying at amortised cost or FVOCI. Further, in certain cases to eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatch), the Company irrevocably designates certain financial instruments at FVTPL at initial recognition. In case of financial assets measured at FVTPL, changes in fair value are recognised in profit or loss.

Profit or loss on sale of investments is determined on the basis of first-in-first-out (FIFO) basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (e.g. as prices) or indirectly (e.g. derived from the prices).

Level 3: Inputs for the current assets or liabilities that are not based on observable market data (unobservable inputs).

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables the carrying amount approximates the fair value due to short maturity of these instruments.

#### Impairment of financial assets

ECL are recognised for financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments.

The Company has adopted guidelines of **Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016** to recognize ECL which has been summarized below.

A non performing asset (NPA) is a loan or an advance where;

(a) an asset, in respect of which, interest has remained overdue for a period of six months or more;

(b) a term loan inclusive of unpaid interest, when the installment is overdue for a period of six months or more or on which interest amount remained overdue for a period of six months or more;

(c) a demand or call loan, which remained overdue for a period of six months or more from the date of demand or call or on which interest amount remained overdue for a period of six months or more;

(d) a bill which remains overdue for a period of six months or more;

(e) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans / advances, which facility remained overdue for a period of six months or more;

(f) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of six months or more;

(g) the lease rental and hire purchase installment, which has become overdue for a period of twelve months or more;

(h) in respect of loans, advances and other credit facilities (including bills purchased and discounted), the balance outstanding under the credit facilities (including accrued interest) made available to the same borrower / beneficiary when any of the above credit facilities becomes non-performing asset :

a) **Substandard Assets:** A substandard asset is the one, which has remained NPA for a period less than or equal to 18 months. Substandard assets are provided for @ 10% of the amount outstanding.

b) **Doubtful Assets :** An asset is classified as doubtful if it has remained in the substandard category for a period of 18 months. 100% of the unsecured portion of the doubtful assets is provided for. The secured portion of the doubtful assets are provided for as per the following table :

Period for which the asset has remained in 'doubtful' category	Provision requirement (%)
Up to one year	20
One to three years	30
More than three years	50

c) **Loss Assets:** A loss asset is one where loss has been identified by the Company or external auditors or the RBI inspection but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value. 100% of the outstanding loss financial assets are provided for.

Income from non-performing assets (NPA) is not recognised on accrual basis but is booked as income only when it is actually received.

#### v. Taxes

##### a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### b) Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each

reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity

#### vi. **Property, plant and equipment**

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

##### **Depreciation on property, plant and equipment**

- a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets.
- b) Useful lives of assets are those prescribed by Schedule II – Part C of the Companies Act, 2013.
- c) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- d) Assets having unit value up to H 5,000 is depreciated fully in the financial year of purchase of asset.
- e) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### vii. **Impairment of non-financial assets**

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

#### viii. **Provisions and contingent liabilities**

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. The Company also discloses present obligations for which a reliable estimate cannot be made. 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.

## 20. **Segment information**

The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic.

## 21. Contingent liabilities and commitments

	For the year ended	
	31 March 2020	31 March 2019
Contingent liabilities	-	-
Commitments	-	-

## 22. Changes in liability

The Company does not have any financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

## 23. Disclosure of transactions with related parties as required by Ind AS 24

### I. List of related parties

Sarita Gupta	Director and CFO
Renu	Director
Ankur Sharma	Director
Sanjeev Kumar	Director
Weekline Investment and Trading Company Limited	A Company in which director is interested

### II. Related party transactions made during the year,

Particulars	31 March 2020	31 March 2019
<b>Weekline Investment and Trading Company Limited</b>		
Loan given	-	19,10,000
Repayment of loan received	62,00,000	-
Interest income	-	259,334
Balance receivable	-	6,200,000

## 24. Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

## I. Capital management

### Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

### Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Board of Directors.

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

## 25. Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

## 26. Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held for trading under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;

The Company has determined that the carrying values of cash and cash equivalents, bank balances, loans, trade payables, short term debts, borrowings, and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

**27. Financial risk management**

The Company's principal financial liabilities comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include inter corporate deposits, loans, cash and cash equivalents and other receivables.

The Company is exposed to market risk, credit risk, liquidity risk and operational and business risk. The Company's Board of Directors oversees the management of these risks. The major risks are summarised below:

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. The fair value investments of these investments are regularly monitored.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

**Credit Risk**

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Company is exposed to credit risk from its financing activities towards inter corporate deposits where no significant impact on credit risk has been identified.

**Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's Board of Directors is responsible for liquidity, funding as well as settlement management.

The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through issuance of equity shares, commercial papers, etc. All the Companies financial assets and liabilities are payable/ receivable within 12 months.

**28. First-time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has prepared its Ind AS compliant financial statements for year ended on 31 March 2020, the comparative period ended on 31 March 2010 and an opening Ind AS Balance Sheet as at 1 April 2018 (the date of transition), as described in the summary of significant accounting policies.



**Ind AS 101 exemptions:** The Company has used certain available exemptions under Ind-AS 101 for first – time adoption, and accordingly has retained the accounting under Previous GAAP for transactions that occurred prior to the Ind AS transition date. These optional exemptions relate to property plant and equipment.

#### Reconciliations between Ind AS and previous GAAP

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods.

There have been no material adjustments in equity, total comprehensive income and cash flows of the previous periods on account of transition from previous GAAP to Ind AS.

29. Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

Asset classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross carrying amount as per Ind AS (3)	Loss allowance (Provisions) as required under Ind AS 109 (4)	Net carrying amount (5) = (3) - (4)	Provision required as per IRACP norms (6)	Difference between Ind AS 109 provision and IRACP norms (7) = (4) - (6)
<b>(a) Performing assets</b>						
Standard assets	Stage 1	48,684,239	121,711	48,562,528	121,711	-
	Stage 2					
<b>Subtotal (a)</b>		<b>48,684,239</b>	<b>121,711</b>	<b>48,562,528</b>	<b>121,711</b>	<b>-</b>
<b>(b) Non-performing assets (NPA)</b>						
(i) Sub-standard assets	Stage 3	131,727,974	13,172,798	118,555,176	13,172,798	-
(ii) Doubtful up to						
1 year	Stage 3			-	-	-
1 to 3 years	Stage 3			-	-	-
More	Stage 3			-	-	-

than 3 years Subtotal (ii)		-	-	-	-	-
(iii) Loss assets	Stage 3		-	-	-	-
<b>Subtotal (a)</b>		<b>131,727,974</b>	<b>13,172,798</b>	<b>118,555,176</b>	<b>13,172,798</b>	-
<b>(c) Other Items</b>	Stage 1			-	-	-
	Stage 2			-	-	-
	Stage 3			-	-	-
<b>Subtotal (c)</b>		-	-	-	-	-
<b>Total (a+b+c)</b>	Stage 1	48,684,239	121,711	48,562,528	121,711	-
	Stage 2	-	-	-	-	-
	Stage 3	131,727,974	13,172,798	118,555,176	13,172,798	-
	<b>Total</b>	<b>180,412,213</b>	<b>13,294,509</b>	<b>167,117,704</b>	<b>13,294,509</b>	-

30. Schedule in terms of paragraph 19 of Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

Liabilities Side:	(Amount in Rs.)	
	Amount Outstanding	Amount Overdue
<b>(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :</b>		
a) Debentures : Secured		
: Unsecured		
(other than falling Within the meaning of public deposits )	-	-
b) Deferred credits	-	-
c) Term loans	978,063	
d) Inter-corporate loans & borrowings	90,992,522	-
e) Commercial paper	-	-
f) Public deposits	-	-
g) Other loans -	-	-
i) Working capital loans from banks	-	-
ii) Security deposit for corporate guarantee	-	-
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 :		
b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security		
c) Other public deposits	-	-

Assets side :	Amount Outstanding (Rs.)
<b>(1) Break-up of Loans and advances including bills receivables [ other than those included in (4) below : ]</b>	
a) Secured	
b) Unsecured (net of provisions)	167,117,706
<b>(2) Break-up of Leased Assets stock on hire and other loans counting towards AFC activities (net of provision)</b>	
i) Lease assets including lease rentals under sundry debtors	
a) Financial lease	
b) Operating lease	-
ii) Stock on hire including hire charges under sundry debtors :	-
a) Assets on hire	-
b) Repossessed assets	
iii) Hypothecation loans counting towards EL / HP activities	-
a) Loans where assets have been repossessed	
b) Loans other than (a) above	-

<b>(3) Break-up of Investments:</b>	
Current Investments:	
1. Quoted:	
i) Shares : a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others ( please specify )	-
2. Unquoted :	

i) Shares : a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others ( please specify )	-
Long Term Investments :	
1. Quoted	
i) Shares : a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others ( please specify )	-
2. Unquoted :	
i) Shares : a) Equity Shares	-
b) Preference Shares	-
ii) Debentures and Bonds	-
iii) Units of mutual funds	-
iv) Government Securities	-
v) Others	-

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	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
<b>2. Other than related parties</b>	-	167,117,706	167,117,706

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

	Break-up value per share (Rs.)	Book value (net of provision) (Rs.)
<b>Category</b>		
<b>1. Related Parties</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
<b>2. Other than related parties</b>	-	-

Particulars	Amount in Rs.
<b>i) Gross Non-Performing Assets</b>	
a) Related parties	-
b) Other than related parties	131,727,975
<b>ii) Net Non-Performing Assets</b>	
a) Related parties	-
b) Other than related parties	118,555,177
<b>iii) Assets acquired in satisfaction of debt</b>	-

31. Novel Coronavirus has put the whole world on alert. The business are adversely affected all over world including India. COVID-19 has hit both organized and un-organized sectors and the Indian economy is projected to slow down in current financial year. Due to mass lockdown restrictions and unexpected factors, the Company's business may also be affected in short to medium term.

On behalf of the Board of Directors

As per our report of even date  
**For Rohit Suri & Associates**  
 Chartered Accountants  
 ICAI Firm Registration number : 012259N

**Sd/-**  
**Rohit Suri**  
 Proprietor  
 Membership number 091064

**Sd/-**  
**Sanjeev Kumar**  
 Director  
 DIN: 06625416

**Sd/-**  
**Sarita Gupta**  
 Director & CFO  
 DIN: 0113099

Date: 20.09.2020  
 Place: New Delhi

**Sd/-**  
**Priti Gupta**  
 Company Secretary