



PANAFIC INDUSTRIALS LIMITED

CIN: L45202DL1985PLC019746

31ST ANNUAL REPORT

For Financial Year 2015-16

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajeev Kumar Gupta: Managing Director

Mrs. Sarita Gupta: Director

Ms. Renu: Director

Mr. Sanjeev Kumar : Independent Director

Mr. Ankur Sharma : Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Ronika Bharara

STATUTORY AUDITORS

Rohit Suri and Associates,

Chartered Accountants

7-Sharda Niketan

Pitampura, New Delhi-110034

Contact Person: Mr. Rohit Suri

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private Limited

D-153A, First Floor, Okhla Industrial Area, Phase-I,

New Delhi-110020

ANNUAL GENERAL MEETING

Date : 30th September, 2016

Time : 10.00 A.M.

Day : Friday

Venue : Hotel Aura Grand, 445, Jagriti Enclave

New Delhi-110092

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

BSE Limited

The Delhi Stock Exchange

REGISTERED OFFICE

23, II Floor, North West Avenue,

Club Road, West Punjabi Bagh,

New Delhi-110026

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NOTICE

Notice is hereby given that the **31st Annual General Meeting** of the Members of the Company will be held on **Friday, the 30th day of September, 2016** at **10.00 A.M.**, at Hotel Aura Grand, 445, Jagriti Enclave, New Delhi- 110092 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet for the Financial Year ended 31st March, 2016, the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Renu (DIN: 03572788), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
3. To ratify the appointment of **M/s Rohit Suri and Associates** as the Statutory Auditors of the Company and to fix their remuneration in terms of Section 139, and Section 142 of the Companies Act, 2013 and for that purpose pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 of the Companies Act, 2013, and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the company hereby ratifies the appointment of **M/s Rohit Suri and Associates**, Chartered Accountants, (Firm Registration No. 012259N) as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting, and on such remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESSES:**ITEM NO. 4****APPROVAL OF BORROWING LIMITS OF THE COMPANY**

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

“RESOLVED THAT in supersession to all the resolution passed earlier by the company with respect to the Borrowing Powers of the Board of Directors and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, upon such terms and conditions and with/without security, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is **Rs 10/- (Rupees Ten Crores only)** over and above the aggregate of the paid-up share capital of the Company and its free reserves and that the

Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

ITEM NO. 5

APPROVAL FOR CREATION OF CHARGE/MORTGAGE ON THE ASSETS OF THE COMPANY

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 or any other law for the time being in force (including any statutory modification(s) or re-enactment thereof) and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company for mortgaging/charging all or any of the immovable and movable properties of the company both present and future and the whole or substantially the whole of the undertaking or undertakings of the Company on such terms and conditions, as may be agreed between the Board and the Lenders to secure the loans/borrowings obtained or as may be obtained, which may exceed the paid-up capital and free reserves in the ordinary course of business but not exceeding **Rs. 10/- (Rupees Ten Crores Only)** at any point of time.

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

By Order of the Board

**Sd/-
Ronika Bharara
Company Secretary**

Place: Delhi

Date: 06th September, 2016

NOTES:

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT HOTEL AURA GRAND, 445, JAGRITI ENCLAVE, NEW DELHI- 110092 AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.***
2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
3. Members are requested to notify change in address, if any, to the Share Transfer Agent and to the Company quoting their Folio Numbers, number of shares held etc.
4. Members/ Proxy holders are requested to produce at the entrance, the attached admission slip for admission into the meeting hall. Duplicate admission slips will not be provided at the hall.
5. Members who have not registered their e-mail addresses with the Company are requested to register the same for receiving communications including Annual Reports, Notices, and Circulars etc. by the Company electronically.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **23/09/2016 to 30/09/2016 (both days inclusive)** in connection with AGM.
7. **Voting through Electronic Means:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), listed companies are required to provide the Members, facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means. The Company has availed the services of Central Depository Services Limited (CDSL) for providing the necessary e-voting platform to the members of the company.

INSTRUCTIONS FOR E-VOTING

- (i) The voting period begins on 27th September, 2016 at 9:00 A.M. and ends on 29th September, 2016 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. 23rd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (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 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:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| 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 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.</p> |
| DOB | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> 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). |

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

this Notice.

- (xi) Click on the EVSN for Panafic Industrials Limited.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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.
- (xix) 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 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.
 - 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 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO.4****Approval of Borrowing Limits of the Company**

In order to meet the working capital requirements and in suppression to all the resolutions passed earlier by the company with respect to the borrowing powers of the Board of Directors, it is proposed to enhance the borrowing limits pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 to the tune of Rs 10 Crores.

Section 180(1)(c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up capital and free reserves, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, except with the consent of the company accorded by way of a Special Resolution.

Approval of members is being sought to borrow money up to the limit of **Rs. 10/- (Rupees Ten Crores)** in excess of the aggregate of the paid up share capital and free reserves of the Company. The resolution is accordingly recommended for approval by the members of the Company as a Special Resolution under the Act.

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

ITEM NO. 5**Approval for Creation of Charge/ Mortgage on the Assets of the Company**

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

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

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

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

By Order of the Board

Sd/-
Ronika Bharara
Company Secretary

Place: Delhi

Date: 06th September, 2016

DIRECTORS' REPORT

To
The Members
Panafic Industrials Limited

Your Directors are pleased to present the **31st Annual Report** on the business operations and financial performance of the company for the financial year ended on 31st March 2016.

FINANCIAL RESULTS

(` In Lacs)

| Particulars | For The Year Ended | |
|--|-----------------------------|-----------------------------|
| | 31 st March 2016 | 31 st March 2015 |
| Sales/ Operating Income | 93.07 | 134.18 |
| Other Income | - | 0.01 |
| Total Revenue | 93.07 | 134.19 |
| Expenses:- | | |
| Purchase of Stock in trade | - | - |
| Changes in Inventory of Stock -in-Trade | - | 23.05 |
| Employee Benefit Expenses | 33.05 | 29.36 |
| Depreciation and Amortisation Expenses | - | - |
| Administrative & Other expenses | 34.60 | 54.21 |
| Contingent Provision For Standard Assets | (0.09) | 1.31 |
| Total Expenses | 67.56 | 107.93 |
| Profit Before Tax | 25.51 | 26.27 |
| Less: Current Tax | 7.88 | 8.68 |
| Deferred Tax | 0.06 | (0.40) |
| Prior Period Tax Adjustment | - | 0.01 |
| Profit/(Loss) After Tax | 17.57 | 17.98 |

BUSINESS REVIEW

Financial year 2015-16 concluded with a Net Profit of **Rs. 17,57,482/-** for the company which is Rs. 40,836/- less than the previous financial year 2014-15. The declining profitability could be attributed to change in the business trends and economic environment. However, your directors are continuously endeavouring to improve the performance of the Company in future. In the current financial year 2016-17, the Company seeks to explore new avenues of business opportunities and thereby striving to improve its profitability. Sincere efforts are being made at all levels of the organization to cut costs and also to keep the expenses in check despite the inflationary tendencies of the market. Barring unforeseen circumstances, we expect better performance in the current year.

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

In order to ensure compliance with Section 45-IC of the Reserve Bank of India Act, 1934, the Company has, for the financial year ended 31st March, 2016, transferred Rs.3,51,496/- in respect of current year's profit to Statutory Reserve Fund from General Reserve. The total amount accumulated in Statutory Reserve Fund is Rs. 9,76,364/- on 31st March, 2016.

MATERIAL CHANGES**CHANGE IN CONTROL AND MANAGEMENT OF THE COMPANY**

During the financial year, the Company records no change in its control and management hence the composition of control and management has been remain same as have already been given to you in our last report.

Further, the Company wished for the re-appointment Ms. Renu (DIN: 03572788), who retires by rotation in our ensuing 31st Annual General Meeting as per the requirement of Section 152(6) of the Companies Act, 2016 and being eligible to offer herself for re-appointment.

Company Secretary & Compliance Officer

The Companies Act, 2013 has mandated the appointment of Company Secretary in all listed Companies. Therefore, Ms. Ronika Bharara, a member of the Institute of Company Secretaries of India, was appointed as the Company Secretary & Compliance Officer of the Company w.e.f. 10th June, 2015 upon recommendation and approval by the Remuneration Committee and the Board.

**The same detail has already been given in our last report.*

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 in the Board Meeting held on 31st March, 2015.

**The same detail has already been given in our last report.*

Chief Financial Officer

Pursuant to Section 203 of the Companies Act, 2013, read with Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014, the Board at its meeting held on 6th September, 2014 has appointed Mrs. Sarita Gupta as the Chief Financial Officer (CFO).

DIVIDEND

The Management believes that the profits earned during the financial year must be retained and redeployed for the operations of the Company. As the Company needs further funds to enhance its business operations, upgrade the efficiency and to meet out the deficiencies in working capital, the Directors do not recommend any dividend on Equity Shares for the financial year 2016-17.

PUBLIC DEPOSITS

Pursuant to the provisions of Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, as amended time to time, the Board of Directors of the Company have re-confirmed in the Board Meeting held on 27th April, 2016, that the Company had neither accepted any public deposits in the past nor it was holding any public deposits on the date of that Board Meeting and that the Company will not accept any public deposits in future without prior written permission of Reserve Bank of India

STATUTORY AUDITORS

The Board recommends to ratify the appointment of M/s Rohit Suri & Associates, Chartered Accountants, Statutory Auditors of the Company, 7, Sharda Niketan, Pitampura, New Delhi-110034 as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting. 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.

There is no qualification, reservation or adverse remark in the report.

AUDITORS' OBSERVATION

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

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Sanjeev Kumar and Mr. Ankur Sharma 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.

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.

INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal control covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting.

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

The Company's policy relating to appointment of Directors, 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.

However, the Company has constituted its Nomination and Remuneration Committee as per the provisions of Section 178(1) of Companies Act, 2013 for aforesaid rationale.

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 Directors' Report.

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

| S. No. | Name of the Director | DIN | Designation | Date of Appointment | Date of Cessation |
|--------|------------------------|----------|-------------------|---------------------|-------------------|
| 3. | Mr. Rajeev Kumar Gupta | 01735427 | Managing Director | 17/07/2014 | - |
| 4. | Mrs. Sarita Gupta | 00113099 | Director | 17/07/2014 | |
| 5. | Ms. Renu | 03572788 | Director | 30/09/2014 | |
| 1. | Mr. Ankur Sharma | 06625403 | Director | 09/07/2013 | - |
| 2. | Mr. Sanjeev Kumar | 06625416 | Director | 09/07/2013 | |

MEETINGS OF THE BOARD

Eleven Board Meetings were held during the year 2015-2016 and the gap between two meetings did not exceed four months. The details of which are as follows:

| Serial No | Date of Board Meeting |
|-----------|-----------------------|
| 1. | April 27, 2015 |
| 2. | May 15, 2015 |
| 3. | May 21, 2015 |
| 4. | May 30, 2015 |
| 5. | June 10, 2015 |
| 6. | July 21, 2015 |
| 7. | August 13, 2015 |
| 8. | August 28, 2015 |
| 9. | November 04, 2015 |
| 10. | February 10, 2016 |
| 11. | March 31, 2016 |

DIRECTORS ATTENDANCE RECORD AND DETAILS OF DIRECTORSHIPS HELD

| Name of the Directors | No. of Board Meetings attended during Financial Year 2014 – 2015 | Whether Previous AGM attended or not | No. of other Directorship in other Public Companies* |
|------------------------|--|--------------------------------------|--|
| Mr. Rajeev Kumar Gupta | 10 | Yes | Nil |
| Mrs. Sarita Gupta | 11 | Yes | 1 |
| Mr. Ankur Sharma | 10 | Yes | Nil |
| Mr. Sanjeev Kumar | 11 | Yes | Nil |
| Ms. Renu | 9 | Yes | Nil |

COMMITTEES

The Board of Directors has constituted Three Committees of the Board – the Audit Committee, the Investor's/Shareholder's Grievance Committee & Remuneration Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Signed minutes of the Board Committee meetings are placed in the Board Meetings for information of the board. The composition of these Committees is as follows:

Audit Committee

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

Meetings and Attendance during the year

Four Audit Committee Meetings were held during the year 2015-2016. The dates on which the said meetings were held are as follows:

| S.No. | Date of Meeting | Committee Strength | No. of Members Present |
|-------|-------------------|--------------------|------------------------|
| 1. | May 30, 2015 | 3 | 3 |
| 2. | August 13, 2015 | 3 | 3 |
| 3. | November 14, 2015 | 3 | 3 |
| 4. | February 10, 2016 | 3 | 3 |

Nomination and Remuneration Committee

The Remuneration Committee has been reconstituted and presently comprises of the following Directors:

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

Meetings and Attendance during the year

Three Nomination and Remuneration Committee Meetings were held during the year 2015-16. The dates on which the said meetings were held are as follows:

| S.No. | Date of Meeting | Committee Strength | No. of Members Present |
|-------|-----------------|--------------------|------------------------|
| 1. | May 21, 2015 | 3 | 3 |
| 2. | June 10, 2015 | 3 | 3 |

Shareholder's/ Investor Grievance Committee

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

Meetings and Attendance during the year

Two Shareholder's/ Investor Grievance Committee Meetings were held during the year 2015-2016. The dates on which the said meetings were held are as follows:

| S.No. | Date of Meeting | Committee Strength | No. of Members Present |
|-------|-------------------|--------------------|------------------------|
| 1. | June 24, 2015 | 3 | 3 |
| 2. | July 17, 2015 | 3 | 3 |
| 3. | December 28, 2015 | 3 | 3 |

EXTRAORDINARY GENERAL MEETING

No Extra Ordinary General Meeting was held during the year 2015-2016.

LISTING AGREEMENT COMPLIANCES

Your Directors are pleased to inform you that during the year under review all compliances related to listing agreement with BSE Limited and The Delhi Stock Exchange have been duly complied with.

The Securities and Exchange Board of India (SEBI), on September 2nd, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of Capital market. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into a new listing agreement within 6 months from the effective date.

The Company enters into a new Listing Agreement with BSE Limited (Bombay Stock Exchange) and DSE (Delhi Stock Exchange) and endeavor to adopt all the provisions as stated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT-9 is annexed herewith as **Annexure-I**.

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, 2016:

- i. That in the preparation of the annual accounts for the financial year ending 31st March, 2016, 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 and loss 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.

LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees or Investments, if any covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Power) Rules, 2014 are given in the Financial Statements.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve.

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 disclosure in Form AOC-2 is not required.

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.

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.

SECRETARIAL AUDIT REPORT

As per the requirement of Section 204 read with Section 134(3) of the Companies Act 2013 and Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 the Company has obtained a certificate from M/s Ajay Kumar and Associates, Company Secretaries, for the financial year ended March 31st, 2016, that the Company has complied with all provision of Companies Act, 1956 and Companies Act, 2013. The clauses referred to in compliance certificate are self-explanatory and, therefore do not call for any further comments. The extract of Secretarial Audit Report in form MR-3 is annexed herewith as “**Annexure-II**”

PARTICULARS OF EMPLOYEES

None of the Employees of the Company was in receipt of remuneration, which was more than the limits as prescribed under Section 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.

HUMAN RESOURCE DEVELOPMENT

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

APPRECIATION

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

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

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

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

**Sd/-
Rajeev Kumar Gupta
Managing Director
DIN: 01735427
Plot No. 127, First Floor, Sector-5, Vaishali,
Ghaziabad, Uttar Pradesh-201010,**

**Place: Delhi
Date: 06th September, 2016**

**Independent Auditors' Report
To the Members of Panafic Industrials Limited****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Panafic Industrials Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016; and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.

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, as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as at 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For ROHIT SURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 012259N**

**Sd/-
ROHIT SURI
PROPRIETOR
M. NO.91064**

**PLACE: NEW DELHI
DATED: 30-May-2016**

Annexure A to the Independent Auditors' Report

(Referred to in our report of even date)

- i. There are no Fixed Assets in the company. Hence, the provisions of paragraph (i) (a), (b) and (c) of the order are not applicable.
- ii. As informed to us, the inventory, which is in the nature of securities, has been physically verified by the management during the year, either by actual inspection or on the basis of statement received from depository participants in respect of shares held as inventory. In our opinion, the frequency of such verification is reasonable. No material discrepancies have been noticed on physical verification of inventory.
- iii. The Company has not granted any loans, secured or unsecured to Companies, or other parties covered in the register maintained under section 189 of the Act. According to the information and explanations given to us, we are of the opinion that there are no firms or limited liability partnerships covered in the register maintained under Section 189 of the Act.
- iv. According to the information and explanations given to us, in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act, to the extent applicable.
- v. According to the information and explanations given to us, the company has not accepted any deposits from the public as mentioned in the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act, for any of the services rendered by the company. Hence, the provisions of paragraph 3(vi) of the Order is not applicable.
- 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, 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 and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they become payable.

(b) According to the information and explanations provided to us, there are no dues on account of Income-tax, Provident Fund and Service tax which have not been deposited with the appropriate authorities on account of disputes as at 31 March 2016.
- viii. In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any banks and financial institutions. The Company did not have any outstanding dues to debenture holders during the year.

- ix. According to the information and explanations given to us, and our examination of the records of the Company, no term loans have been obtained by the Company during the year. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- 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 course of our audit.
- xi. According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Hence, the provisions of paragraph 3(xii) of the Order are 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, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- 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, paragraph 3 (xv) of the Order are not applicable.
- xvi. The Company is already registered under Section 45-IA of the Reserve Bank of India Act, 1934. The copy of such registration has been obtained.

**For ROHIT SURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 012259N**

**Sd/-
ROHIT SURI
PROPRIETOR
M. NO.91064**

**PLACE: NEW DELHI
DATED: 30-May-2016**

Annexure B to the Independent Auditors' Report

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Panafic Industrials Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, and both issued by ICAI. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with 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 control 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 control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such, internal financial control over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ROHIT SURI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 012259N**

**Sd/-
ROHIT SURI
PROPRIETOR
M. NO.91064**

**PLACE: NEW DELHI
DATED: 30-May-2016**

BALANCE SHEET AS AT 31 MARCH, 2016

(All amounts are in Indian rupees)

| Particulars | Note | As at | As at |
|--|------|--------------------|--------------------|
| | No. | 31 March 2016 | 31 March 2015 |
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 2.1 | 82,125,000 | 82,125,000 |
| Reserves and surplus | 2.2 | 5,872,134 | 6,091,526 |
| Long Term Provisions | 2.3 | 185,529 | - |
| Current liabilities | | | |
| Trade payables | 2.4 | - | - |
| -total outstanding dues of micro enterprises and small enterprises | | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 9,782,710 | 60,199 |
| Other current liabilities | 2.5 | 52,868,598 | 66,880,396 |
| Short-term provisions | 2.6 | 108,345 | 459,266 |
| | | 150,942,316 | 155,616,388 |
| Assets | | | |
| Non-current investments | 2.7 | 30,190,000 | 17,310,000 |
| Deferred tax assets (net) | 2.8 | 87,780 | 93,506 |
| Long-term loans and advances | 2.9 | 74,300,323 | - |
| Current assets | | | |
| Trade receivables | 2.10 | - | 1,825,000 |
| Cash and bank balances | 2.11 | 3,026,319 | 8,544,173 |
| Short-term loans and advances | 2.12 | 43,337,894 | 127,843,709 |
| | | 150,942,316 | 155,616,388 |

Significant accounting policies and notes to the financial statements

1, 2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rohit Suri & Associates**Chartered Accountants**

Firm Registration No.: 012259N

Sd/-

Rohit Suri

Proprietor

Membership No.: 091064

Place: New Delhi

Date: 30.05.2016

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

Sd/-

Rajeev Kumar Gupta

Managing Director

DIN: 01735427

Sd/-

Sarita Gupta

Chief Financial Officer

DIN: 00113099

Sd/-

Sanjeev Kumar

Director

DIN: 06625416

Sd/-

Ronika Bharara

Company Secretary &

Compliance Officer

Membership No.: 39463

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

(All amounts are in Indian rupees)

| Particulars | Note | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|--|------|---|-------------------------------------|
| Revenue | | | |
| Revenue from Operations | 2.13 | 9,306,727 | 13,418,310 |
| Other income | 2.14 | - | 1,338 |
| Total revenue | | 9,306,727 | 13,419,648 |
| Expenses | | | |
| Change in inventories | 2.15 | - | 2,305,129 |
| Employee benefits expense | 2.16 | 3,304,739 | 2,935,695 |
| Finance Cost | 2.17 | 2,178,075 | 3,248,630 |
| Other expenses | 2.18 | 1,273,154 | 2,303,223 |
| Total expenses | | 6,755,968 | 10,792,677 |
| Profit before tax | | 2,550,759 | 2,626,971 |
| Tax expense | | | |
| Current income-tax | | 787,551 | 867,687 |
| Deferred tax charge/ (credit) | | (5726) | 40,372 |
| Prior year tax adjustment | | - | 1,338 |
| Profit after tax for the year | | 1,757,482 | 1,798,318 |
| Earnings per equity share (par value Rs. 1/- per share) | | | |
| Basic and diluted earnings per share (Rs.) | | | |
| Basic | 2.22 | 0.02 | 0.19 |
| Diluted | 2.22 | 0.02 | 0.19 |
| Significant accounting policies and notes to the financial statements | | | |
| | 1, 2 | | |
| The accompanying notes are an integral part of the financial statements | | | |
| As per our report of even date attached | | | |
| For Rohit Suri & Associates | | <i>For and on behalf of Board of Directors of</i> | |
| <i>Chartered Accountants</i> | | Panafic Industrials Limited | |
| Firm Registration No.: 012259N | | | |
| Sd/- | | Sd/- | Sd/- |
| Rohit Suri | | Rajeev Kumar Gupta | Sanjeev Kumar |
| Proprietor | | Managing Director | Director |
| Membership No.: 091064 | | DIN: 01735427 | DIN: 06625416 |
| | | Sd/- | Sd/- |
| | | Sarita Gupta | Ronika Bharara |
| Place: New Delhi | | Chief Financial Officer | Company Secretary & |
| | | DIN: 00113099 | Compliance Officer |
| Date: 30.05.2016 | | | Membership No.: 39463 |

Cash Flow Statement for the year ended 31 March, 2016
(All amounts are in Indian rupees)

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|--|-------------------------------------|-------------------------------------|
| Cash Flow from Operating Activities | | |
| Profit Before Tax | 2,550,759 | 2,626,971 |
| Add: | | |
| Provision for standard assets | 185,529 | - |
| Interest on Dividend Distribution Tax | 6,688 | - |
| Less: | | |
| Gain on sale of investments (net) | - | - |
| Profit on sale of Fixed assets (net) | - | - |
| Dividend income on non-current investments | - | - |
| Provision/liabilities no longer required written-back | - | - |
| Operating profit before working capital changes | 2,742,976 | 2,626,971 |
| Adjustments for: | | |
| (Increase)/ decrease in inventories | - | 2,305,129 |
| (Increase)/ decrease in trade receivables | 1,825,000 | (1,825,000) |
| (Increase)/ decrease in loans and advances (refer note 2 below) | 84,505,815 | (59,062,447) |
| (Increase)/ decrease in other current assets | - | - |
| (Increase)/ decrease in other bank balances (refer note 3 below) | - | - |
| Increase/ (decrease) in Short Term Borrowings | - | - |
| Increase/ (decrease) in trade Payables | 9,722,511 | 29,277 |
| Increase/ (decrease) in other current liabilities | (14,011,798) | 49,972,696 |
| Increase/ (decrease) in short term provisions | (350,921) | 287,313 |
| Cash generated from operations | 84,433,583 | (5,666,061) |
| Income taxes paid (gross) | (787,551) | (867,687) |
| Deferred Tax (Assets) | 5,726 | (40,372) |
| Previous Tax Adjustments | - | (1,338) |
| Income tax refund | - | 1,423 |
| Net cash from/ (used in) Operating Activities (A) | 83,651,758 | (6,574,035) |

Cash Flow from Investing Activities

| | | |
|--|---------------------|------------------|
| Purchase of fixed assets | - | - |
| Proceeds from sale of fixed assets | - | - |
| Investment in subsidiaries | - | - |
| Purchase of investments | (12,880,000) | 5,000,000 |
| Proceeds from disposal of subsidiaries | - | - |
| Proceeds from disposal of investments | - | - |
| Dividend on long term investments | - | - |
| Long - term loans and advances | (74,300,323) | - |
| Recovery of loans and advances | - | - |
| Deferred tax asset | (5,726) | 40,372 |
| Net cash from/ (used in) Investing Activities (B) | (87,186,049) | 5,040,372 |

Cash Flow from Financing Activities

| | | |
|--|--------------------|----------|
| Proceeds from issue of shares | - | - |
| Interest paid on loans and overdrafts (refer Note 4) | - | - |
| Dividend Paid | (1,983,562) | - |
| Proceeds from commercial paper | - | - |
| Repayment of commercial paper | - | - |
| Proceeds from/(repayment of) | - | - |
| -bank overdrafts (net) | - | - |
| Net cash from/ (used) in Financing Activities (C) | (1,983,562) | - |

Net increase/ (decrease) in cash or cash equivalents (A+B+C)

| | | |
|--|----------------------|--------------------|
| Net increase/ (decrease) in cash or cash equivalents (A+B+C) | -5,517,854.09 | (1,533,663) |
| Cash and Cash Equivalent at the beginning of the year (refer Note 2.15) | 8,544,173 | 10,077,836 |
| Cash and Cash Equivalent at the end of the year (refer Note 2.12) | 3,026,319 | 8,544,173 |

Notes:

- 1 The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 on 'Cash Flow Statement' as notified under Companies (Accounting Standard) Rules, 2006.
- 2 Include both long-term and short-term assets/ liabilities.
Fixed deposits have been included in the operating activities, since it is directly attributable to the primary revenue generating operations of the Company
- 3
- 4 Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year classification.

As per our report of even date attached

For Rohit Suri & Associates

Chartered Accountants

Firm Registration No.: 012259N

Sd/-

Rohit Suri

Proprietor

Membership No.: 091064

Place: New Delhi

Date: 30.05.2016

For and on behalf of Board of Directors of

Panafic Industrials Limited

Sd/-

Rajeev Kumar Gupta

Managing Director

DIN: 01735427

Sd/-

Sanjeev Kumar

Director

DIN: 06625416

Sd/-

Sarita Gupta

Chief Financial Officer

DIN: 00113099

Sd/-

Ronika Bharara

Company Secretary &

Compliance Officer

Membership No.: 39463

Significant accounting policies and notes to the financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees)

1(a). COMPANY OVERVIEW

M/s Panafic Industrials Limited is a Non-Banking Financial Company incorporated under the provisions of Companies Act, 1956 on 01st January, 1985 having its registered office in Delhi, with the objective of carrying on the business of financing industrial enterprises by way of making loans and advances, purchase or otherwise acquire, erect, maintain, sell, give on lease or hire all kinds of movable or immovable properties, assets, equipments, articles, plants, machineries, factories, furniture, fixtures, buildings, goods or things of any description that the Company may deem fit.

1(b). SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

The Financial Statements are prepared under the historical cost convention on a going concern basis, on the, accrual basis of accounting, in accordance with the Generally Accepted Principles (GAAP) in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, to the extent applicable, as adopted consistently by the Company.

(ii) Current–non-current classification

All Assets and Liabilities have been classified as current and non current as per the normal operating cycle and the criteria set out in Revised Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current/ non current classification of assets and liabilities.

(iii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimate and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities on the date of financial statements and the result of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and the future period.

(iv) Revenue recognition

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

(v) Impairment

The carrying amounts of assets are reviewed at each Balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available to use, the recoverable amount is estimated at each Balance Sheet date. An impairment loss is recognized whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of Profit and Loss Account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss has been recognized.

(vi) Investments

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

(vii) Inventories

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

(viii) Employee benefits

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

Short-term employee benefits

- a. All employee benefits payable/ available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Statement of Profit and Loss in the period/ year in which the employee renders the related service.
- b. Employee entitlements to annual leave are recognized when they accrue to the eligible employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the eligible employees up to the Balance Sheet date.

(ix) Current and deferred tax

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

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

(x) Leases

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

(xi) Provision, contingent liabilities and contingent assets

The Company creates provisions only when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate that can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

(xii) Earnings per share

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

(xiii) Cash and cash equivalents

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

As per our report of even date attached

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

Sd/-
Rohit Suri
Proprietor
Membership No.: 091064

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

| | | |
|---------------------------|-----------------------|------|
| Sd/- | Sd/- | Sd/- |
| Rajeev Kumar Gupta | Sanjeev Kumar | |
| Managing Director | Director | |
| DIN: 01735427 | DIN: 06625416 | |
| Sd/- | Sd/- | |
| Sarita Gupta | Ronika Bharara | |
| Chief Financial Officer | Company Secretary & | |
| DIN: 00113099 | Compliance Officer | |
| | Membership No.: 39463 | |

Place: New Delhi
Date: 30.05.2016

Significant accounting policies and notes to the financial statements for the year ended 31 March, 2016
(All amounts are in Indian Rupees)

2. Notes to the Financial Statements

| Particulars | As at 31 March 2016 | As at 31 March 2015 |
|---|------------------------|------------------------|
| 2.1(a): Share Capital | | |
| Authorized | | |
| 100,000,000 equity shares of face value of Re. 1/- each | 100,000,000 | 100,000,000 |
| Issued, subscribed and fully paid-up: | | |
| 8,212,5000 equity shares of face value of Re. 1/- each | 82,125,000 | 82,125,000 |
| | 82,125,000 | 82,125,000 |

Rights, Preferences and restrictions attached to shares

The Company has only one class of shares referred to as equity shares having face value of Re. 1 each. Each holder of one equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of shares shall be entitled to receive remaining assets, if any, of the Company after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

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

| | As at 31 March 2016 | | | As at 31 March 2015 | | |
|--|------------------------|------------|--------------------|------------------------|------------|--------------------|
| | Number | Face Value | Amount (in Rs.) | Number | Face Value | Amount (in Rs.) |
| At the beginning of the year Equity Shares of Face value of Rs. 10/- each | 8,212,500 | 10 | 82,125,000 | 8,212,500 | 10 | 82,125,000 |
| Additions on account of sub-division of Equity Shares Of face value Rs. 10/- each into face value of Re.1/- each* | - | - | - | 73,912,500 | 1 | 73,912,500 |
| Issued during the period | - | - | - | - | - | - |
| Outstanding at the end of the year | 82,125,000 | 1 | 82,125,000 | 8,212,5000 | 1 | 82,125,000 |
| Equity shares of face value of Re. 1/- each* {Previous Year: Re. 1/- each} | | | | | | |

*Sub-Division of Equity Shares:

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

The Company has one class of equity shares having a par value of Re. 1 per share. Each holder of equity share is entitled to one vote per share. The paid-up equity shares of the Company shall rank *pari-passu* in all respects including dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company,

after distribution of all preferential amounts.

The Company has neither issued any bonus issue of shares nor any buy back of shares since incorporation and in the current year.

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

| Name of the shareholder | Number of shares as at 31 March 2016 | Number of shares as at 31 March 2015 |
|-----------------------------|---|---|
| Pannalal H.Gulecha | - | 5,000,000 |
| Amit kumar P.Gulecha | - | 5,000,000 |
| Vimalchand Karamchand Ranka | 5,003,674 | 7,500,000 |
| Lalit Mohanlal Jain | 7,311,634 | 10,000,000 |

| | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
|--|------------------------|------------------------|

2.2: Reserves and surplus

General reserve

| | | |
|-------------------------------|------------------|------------------|
| Opening balance | 3,159,029 | 3,159,029 |
| Add: Addition during the year | - | - |
| | 3,159,029 | 3,159,029 |

Statutory reserve fund

| | | |
|-------------------------------|----------------|----------------|
| Opening balance | 624,868 | 265,204 |
| Add: Addition during the year | 351,496 | 359,664 |
| Closing balance | 976,364 | 624,868 |

Surplus

| | | |
|---|-----------|-----------|
| Opening balance | 2,307,629 | 868,975 |
| Add: Transfer from Statement of Profit and Loss | 1,757,482 | 1,798,318 |
| Amount available for appropriation | 4,065,111 | 2,667,293 |

Less: Appropriations

| | | |
|--|-----------|---------|
| Interim Dividend (Re. 0.02 per share; previous year Nil) | 1,642,500 | - |
| Dividend Distribution Tax | 334,374 | - |
| Transfer to Statutory Reserve Fund | 351,496 | 359,664 |

| | | |
|--|------------------|------------------|
| | 1,736,741 | 2,307,629 |
| | 5,872,134 | 6,091,526 |

2.3 Long-Term Provisions

| | As at 31 March 2016 | As at 31 March 2015 |
|-------------------------------|------------------------|------------------------|
| Provision for standard assets | 185,529 | - |
| | 185,529 | - |

| | As at 31 March 2016 | As at 31 March 2015 |
|--|------------------------|------------------------|
| 2.4: Trade Payables | | |
| Payables against goods and services | | |
| - total outstanding dues of micro and small enterprises * | - | - |
| - total outstanding dues of creditors other than micro and small enterprises | 9,782,710 | 60,199 |
| | 9,782,710 | 60,199 |

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March, 2016 and 31 March 2015.

2.5: Other current liabilities

| | | |
|---|-------------------|-------------------|
| Liability for claims | | |
| Salary, bonus and other employee payables | 258,160 | 189,890 |
| Withholding and other Tax payable | 216,036 | 324,251 |
| Other liabilities | 52,394,402 | 66,366,255 |
| | 52,868,598 | 66,880,396 |

2.6: Short-term provisions

| | | |
|--|----------------|----------------|
| Provision for income tax (Net of Tax deducted at source: Rs. Nil: previous year 7,11,030) | | 156,657 |
| Provision for standard assets | 108,345 | 302,609 |
| | 108,345 | 459,266 |

2.7: Non-Current Investments (non-trade, at cost)

Investment in equity instruments

Unquoted

Fully paid up of face value Rs. 10 each/-

| | | |
|--|------------|------------|
| 1,231,000 (Previous year :1,231,000) Shares of Croitre Industries Limited | 12,310,000 | 12,310,000 |
| 250,000 (Previous year :250,000) Shares of Fortune | 2,500,000 | 2,500,000 |
| 250,000 (Previous year : 250,000) Shares of Tushar Commodities Private Limited | 2,500,000 | 2,500,000 |

Investment in warrants

Unquoted

Fully paid up of face value Rs. 1/- each

| | | |
|---|-------------------|-------------------|
| 140,000 (previous year Nil) warrants of Capital Trade Links Limited | 12,880,000 | - |
| | 30,190,000 | 17,310,000 |

| 2.8: Deferred tax assets | As at 31 March 2016 | As at 31 March 2015 |
|--|--------------------------------|--------------------------------|
| -On Provision for standard assets | 87,780 | 93,506 |
| | 87,780 | 93,506 |
| 2.9: Long-term loans and advances (unsecured, considered good, unless otherwise stated) | | |
| Standard Assets-Unsecured; Considered good | 74,211,761 | - |
| Income-taxes recoverable (net of provisions, Rs. 790,252: previous year Nil) | 88,562 | - |
| | 74,300,323 | - |
| 2.10: Trade receivables | | |
| Unsecured | | |
| a) Outstanding for more than six months from due date | | |
| - Considered good | - | 1,825,000 |
| - Considered doubtful | - | - |
| | - | 1,825,000 |
| 2.11: Cash and Bank Balances | | |
| Cash and cash equivalents | | |
| Cash in hand | 72,283 | 170,105 |
| Balances with banks: | | |
| - in current accounts | 2,954,036 | 8,374,068 |
| | 3,026,319 | 8,544,173 |
| 2.12: Short-term loans and advances (unsecured, considered good) | | |
| Receivable under financing activities | | |
| Standard assets - unsecured, considered good | 43,337,894 | 126,043,709 |
| Other advances | - | 1,800,000 |
| | 43,337,894 | 127,843,709 |

Significant accounting policies and notes to the financial statements for the year ended 31 March, 2016
(All amounts are in Indian Rupees)

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|--|-------------------------------------|-------------------------------------|
| 2.13: Revenue from Operations | | |
| Income from Financing activities | 9,306,727 | 11,593,310 |
| Sale of Securities | - | 1,825,000 |
| | 9,306,727 | 13,418,310 |
| 2.14: Other Income | | |
| Other Income | - | 1,338 |
| | - | 1,338 |
| 2.15: Change in Inventories | | |
| Opening Stock in Trade | - | 2,305,129 |
| Closing Stock in Trade | - | - |
| | - | 2,305,129 |
| 2.16: Employee Benefits expense | | |
| Salaries and wages | 3,304,739 | 2,773,970 |
| Staff welfare | - | 161,725 |
| | 3,304,739 | 2,935,695 |
| 2.17: Finance Cost | | |
| Bank charges | 11,029 | 6,137 |
| Interest on Loan | 2,167,046 | 3,242,493 |
| | 2,178,075 | 3,248,630 |
| 2.18: Other Expenses | | |
| ISIN Connectivity Fees | - | - |
| Travelling and conveyance | 138,970 | 334,479 |
| Printing and stationery | 164,931 | 240,045 |
| Accountancy charges | 48,000 | 20,000 |
| Advertisement | 48,048 | 45,891 |
| Audit fees * | 15,000 | 15,000 |
| Listing Fees | 294,306 | 766,857 |
| Fees & Subscription | 23,800 | 143,713 |
| Festival Celebration Expenses | 53,500 | 50,680 |
| Rates and taxes | - | 16,200 |
| Repair & Maintenance | 126,117 | 117,055 |

| | | |
|-------------------------------|------------------|------------------|
| Rent (Refer Note 1) | 174,000 | 168,000 |
| Provision for standard assets | (8,735) | 130,656 |
| Power & Fuel | 3,037 | 54,450 |
| Meeting expenses | 84,022 | 64,540 |
| Website Expenses | 3,500 | 15,000 |
| Demat expenses | 9,339 | - |
| Legal and professional | 35,468 | 29,213 |
| Miscellaneous | 59,851 | 91,444 |
| | 1,273,154 | 2,303,223 |

Note 1: Rent represents rental expense incurred in respect of office space leased by the Company under operating lease arrangements. These leases are cancellable arrangements that extend for a maximum period of 3 years from their respective dates of inception.

* Audit fees includes (excluding service tax):

| | | |
|---------------------------|---------------|---------------|
| As auditor | 15,000 | 15,000 |
| For Tax Audit | - | - |
| For other matters | - | - |
| Reimbursement of expenses | - | - |
| | 15,000 | 15,000 |

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

Sd/-
Rohit Suri
Proprietor
Membership No.: 091064

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

| | |
|---------------------------|-----------------------|
| Sd/- | Sd/- |
| Rajeev Kumar Gupta | Sanjeev Kumar |
| Managing Director | Director |
| DIN: 01735427 | DIN: 06625416 |
| Sd/- | Sd/- |
| Sarita Gupta | Ronika Bharara |
| Chief Financial Officer | Company Secretary & |
| DIN: 00113099 | Compliance Officer |
| | Membership No.: 39463 |

Place: New Delhi
Date: 30.05.2016

Sub Schedules to Notes to Account

| Sub-schedule to note 2.4 - Trade Payables | | (Amt. in Rs.) | |
|---|------------------------|----------------------|--|
| Particulars | As at March 31, | | |
| | 2016 | 2015 | |
| Tarun Advertising | 9,493 | 9,493 | |
| Rohit Suri & Associates | 15,000 | 30,000 | |
| Grover Ahuja & Associates | - | 20,706 | |
| Anita Pawar | 5,200,000 | - | |
| Archna Gupta | 1,500,000 | - | |
| DBS Publicity Pvt. Ltd | 5,001 | - | |
| Skyline Financial Services Pvt Ltd | 27,453 | - | |
| NSDL | 25,763 | - | |
| Rashmi Jain | 3,000,000 | - | |
| Total | 9,782,710 | 60,199 | |
| Sub-schedule to note 2.10 - Trade Receivables | | (Amt. in Rs.) | |
| Particulars | As at March 31, | | |
| | 2016 | 2015 | |
| -Asian Share Brokers Pvt Ltd | - | 1,825,000 | |
| Total | - | 1,825,000 | |
| Sub-schedule to note 2.11 – Balance with Banks | | (Amt. in Rs.) | |
| Particulars | As at March 31, | | |
| | 2016 | 2015 | |
| -Axis Bank | 2,944,962 | 8,246,877 | |
| -HDFC Bank | - | 13,273 | |
| -ING Vysya | 9,074 | - | |
| Total | 2,954,036 | 8,260,151 | |
| Sub-schedule to note 2.5 - Other Current Liabilities | | (Amt in Re.) | |
| Particulars | As at March 31, | | |
| | 2016 | 2015 | |
| All Time Softech Pvt Ltd | 781,875 | 531,875 | |
| Ample Hotels & Resorts Pvt Ltd | - | 14,172,192 | |
| Baba Lease and Investment Pvt. Ltd | 12,537,423 | 5,172,192 | |
| Amici Electronics Pvt Ltd | - | - | |
| BG Freight Shoppe India Pvt Ltd | 537,500 | 537,500 | |
| Dhikana Brick Fabrication | 2,511,154 | 2,194,006 | |
| ICVL Chemicals Limited | 1,628,591 | 1,506,250 | |
| Marathon Finlease Limited | 1,250,000 | 1,000,000 | |
| MSAS Engineering Pvt Ltd | - | 6,433,323 | |
| Rudra Rolling Mills Pvt Ltd | 2,170,424 | 2,170,424 | |
| Tarini Enterprises Pvt Ltd | 11,405,000 | 11,405,000 | |

| | | |
|---|------------------------|-------------------|
| Ultimate IT Solutions Pvt Ltd | 8,372,435 | 7,743,493 |
| Noess Education Services Pvt Ltd | - | 12,500,000 |
| Advent Trading Pvt Ltd | 8,000,000 | - |
| Teletech Comp Software Solutions Pvt. Ltd | 200,000 | - |
| Sw Consultants (P) Ltd | 2,000,000 | - |
| VV Traders Pvt Ltd | 1,000,000 | 1,000,000 |
| Total | 52,394,402 | 66,366,255 |
| Sub-schedule to note 2.9– Long-Term Loans & Advances | | |
| | (Amt in Re.) | |
| Particulars | As at March 31, | |
| | 2016 | 2015 |
| Interest Booked | | |
| AMS Infrastructure Private Limited | 3,400,000 | - |
| GDR Finance And | 23,000,000 | - |
| Intercity Finvest Private Limited | 2,575,452 | - |
| MAS Advisory Services Private Limited | 2,500,000 | - |
| Paras Minerals & Alloys | 14,213,993 | - |
| Setia Overseas | 16,000,000 | - |
| Shree Parshav Minerals | 2,607,604 | - |
| Sunshine Infotech | 1,994,400 | - |
| SVC Associates | 7,520,312 | - |
| Unisys Infraprojects Pvt. Ltd | 400,000 | - |
| Total | 74,211,761 | - |
| Sub-schedule to note 2.12– Short-Term Loans & Advances | | |
| | (Amt in Re.) | |
| Particulars | As at March 31, | |
| | 2016 | 2015 |
| Interest Booked | | |
| Ajay Kumar Bath | - | 2,050,000 |
| Pramod Kumar | - | 1,000,000 |
| Rajeev Kumar Goel | - | 1,000,000 |
| Rani Sharma | - | 400,000 |
| Hemlata | - | 1,000,000 |
| Kishan Kumar & Sons HUF | - | 4,422,110 |
| Manoj Paltani | - | 320,000 |
| Neeraj Kumar & Sons HUF | - | 4,990,734 |
| Nidhi Garg | - | 800,000 |
| Sudhir Agarwal & Sons | - | 100,000 |
| Vaishali Buildtech Private Limited | - | 6,500,000 |
| Unisys Consultancy Private Limited | - | 2,407,509 |
| Anu Aggarwal | - | 1,000,000 |
| Durgesh Merchants Limited | - | 19,777 |
| Manish Sharma | - | 7,100,000 |
| Nextworld Technology | - | 2,000,000 |
| Shubh Samvid OPC Pvt. Ltd. | - | 10,416,218 |

| | | |
|---------------------------------------|-------------------|--------------------|
| Suman Jeet Aggarwal | - | 2,500,000 |
| Sunshine Infotech | - | 1,800,000 |
| Virender Gupta | - | 400,000 |
| Abhinav Leasing | 1,000,000 | - |
| Allied Hitech Industries Pvt. Ltd | 1,500,000 | - |
| AMS Infrastructure Private Limited | 162,651 | 3,400,000 |
| Capital Tradelink Limited | 2,102,337 | 1,400,000 |
| GDR Finance AND | 27,342,391 | 23,000,000 |
| Shree Parshav Minerals | - | 2,607,604 |
| Intercity Finvest Private Limited | 270,000 | 2,575,452 |
| MAS Advisory Services Private Limited | 113,917 | 2,500,000 |
| Paras Minerals & Alloys | 3,671,703 | 2,500,000 |
| Pawan Kumar | 1,500,000 | 15,713,993 |
| Setia Overseas | 1,440,000 | 16,000,000 |
| SVC Associates | 609,145 | 7,520,312 |
| Unisys Infraprojects Pvt. Ltd | 1,907,750 | 400,000 |
| Unisys Projects Pvt. Ltd | 218,000 | - |
| Usha | 1,500,000 | - |
| Total | 43,337,894 | 127,843,709 |

Related Party Transactions as per Accounting Standard 18 for the Financial year 2015-16:-

Disclosure details pertaining to related party transactions (as certified by the management of the Company) entered into during the year ending 31st March, 2016 in terms of Accounting Standards AS-18 "Related Party Disclosures" as issued by ICAI:-

1. Key management personnel

Mr. Rajeev Kumar Gupta – Managing Director (Appointed w.e.f. 17-07-2014)

Mrs. Sarita Gupta – Director and CFO (Appointed w.e.f. 17-07-2014)

Ms. Renu – Director (Appointed w.e.f. 30-09-2014)

Ankur Sharma – Director (Appointed w.e.f. 09-07-2013)

Sanjeev Kumar - Director (Appointed w.e.f. 09-07-2013)

Ronika Bharara- Company Secretary (Resigned on 10-06-2015)

2. Parties in which the Key Managerial Personnel/Director(s) of the Company is/are interested:

NIL

3. Details of transactions under the ordinary course of business between Company and related parties during the year and the status of outstanding balances as on 31st March, 2016 is as follows:-

(Amt. in Rs.)

| Nature of Transactions | Name of the Party | Nature of Relationship | Opening balance as on 31 st March, 2015 | Transactions during the year for additions | Transactions during the year for deletions | Closing Balance as on 31 st March, 2016 |
|------------------------|-------------------|------------------------|--|--|--|--|
| NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | | | | | | |

For Rohit Suri & Associates
Chartered Accountants

Firm Registration No.: 012259N

Sd/-

Rohit Suri
Proprietor

Membership No.: 091064

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

Sd/-

Rajeev Kumar Gupta
Managing Director

DIN: 01735427

Sd/-

Sarita Gupta
Chief Financial Officer
DIN: 00113099

Sd/-

Sanjeev Kumar
Director

DIN: 06625416

Sd/-

Ronika Bharara
Company Secretary &
Compliance Officer
Membership No.: 39463

Place: New Delhi

Date: 30.05.2016

Significant accounting policies and notes to the financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees)

2. Notes to the financial statements

| | <u>Current Year</u> | <u>Previous Year</u> |
|----------------------------------|---------------------|----------------------|
| | <u>(Rs.)</u> | <u>(Rs.)</u> |
| 2.19 Contingent Liability | Nil | Nil |

2.20 Segment Reporting

Segment information for the year ended March 31, 2016

a) Primary segment information (by business segments)

Amount (In Rs.)

| Particulars | Financing activities | Dealing in Securities | Unallocated Others | Total |
|---|------------------------------|----------------------------|---------------------------|------------------------------|
| i) Segment revenue | 9,306,727 (11,593,310) | - (1,825,000) | - (1,338) | 9,306,727 (13,419,648) |
| ii) Segment Results | 2,550,759 (8,220,161) | - (-480,129) | - (1,338) | 2,550,759 (7,741,370) |
| Less : I. Interest | | | | Nil (Nil) |
| II. Unallocable expenditure / (net of unallocable income) | | | | - (5,114,399) |
| Less: Taxation | | | | 781,825 (828,653) |
| Total profit after tax | | | | 1,757,482 (17,98,318) |
| iii) Segment Capital Employed | 117,549,655 (127,843,709) | 30,190,000 (17,310,000) | 3,202,662 (10,462,679) | 150,942,316 (155,616,388) |
| iv) Capital expenditure | 0 0 | | | 0 0 |
| v) Depreciation | 0 0 | | | 0 0 |
| vii) Non cash expenses other than depreciation | | | | |

| | | | |
|--------------------------------|---------------------|--|---------------------|
| -Provision for standard assets | -8,735 (130,656) | | -8,735 (130,656) |
|--------------------------------|---------------------|--|---------------------|

Note: Figures shown in brackets indicates previous year amount.

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

2.21 Related Party Disclosure

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

a) List of the related parties:

(i) Key management personnel

Rajeev Kumar Gupta – Managing Director

Sarita Gupta – Director and CFO

Renu – Director

Ankur Sharma- Director

Sanjeev Kumar-Director

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

2.22. Basic and Diluted Earnings per Share

| Particulars | For the year ended 31 March 2016 | For the year ended 31 March 2015 |
|---|-------------------------------------|-------------------------------------|
| Net Profit attributable to Equity Shareholders * | 1,757,482 | 1,798,318 |
| Weighted Average No. of Equity Shares for basic & diluted EPS | 9,427,500 | 9,427,500 |
| Nominal Value per share | Re. 1 | Re. 1 |
| Basic & Diluted EPS | Rs. 0.02 | Rs. 0.19 |

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

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

| Particulars | (Amount in Rs.) | |
|---|--------------------|---------------------------------|
| Liabilities Side : | | |
| | Amount Outstanding | Amount Overdue |
| (1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid : | Nil | Nil |
| a) Debentures : Secured | Nil | Nil |
| : Unsecured | Nil | Nil |
| (other than falling within the meaning of public deposits) | | |
| b) Deferred credits | Nil | Nil |
| c) Term loans | Nil | Nil |
| d) Inter-corporate loans & borrowings | Nil | Nil |
| e) Commercial paper | Nil | Nil |
| f) Public deposits | Nil | Nil |
| g) Other loans – | | |
| i) Working capital loans from banks | Nil | Nil |
| ii) Security deposit for corporate Guarantee | Nil | Nil |
| iii) Secured loans | Nil | Nil |
| (2) Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) : | Nil | Nil |
| a) In the form of unsecured debentures: | Nil | Nil |
| b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security | Nil | Nil |
| c) Other public deposits | Nil | Nil |
| Assets Side : | | |
| | | Amount Outstanding (Rs.) |

| | |
|---|---|
| <p>(3) Break-up of Loans and advances including bills receivables [other than those included in (4) below:]</p> <p>a) Secured</p> <p>b) Unsecured (net of provisions)</p> | <p>Nil</p> <p>117,549,655</p> |
| <p>(4) Break-up of Leased Assets stock on hire and hypothecation loans counting towards EL / HP activities (net of provision)</p> <p>i) Lease assets including lease rentals under sundry debtors</p> <p>a) Financial lease</p> <p>b) Operating lease</p> <p>ii) Stock on hire including hire charges under sundry debtors :</p> <p>a) Assets on hire</p> <p>b) Repossessed assets</p> <p>iii) Hypothecation loans counting towards EL / HP activities</p> <p>a) Loans where assets have been repossessed</p> <p>b) Loans other than (a) above</p> | <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> |
| <p>(5) Break-up of Investments:</p> <p>Current Investments:</p> <p>1. Quoted:</p> <p>i) Shares: a) Equity</p> <p>b) Preference</p> <p>ii) Debentures and Bonds</p> <p>iii) Units of mutual funds</p> <p>iv) Government Securities</p> <p>v) Others (please specify)</p> <p>2. Unquoted:</p> <p>i) Shares: a) Equity</p> <p>b) Preference</p> <p>ii) Debentures and Bonds</p> <p>iii) Units of mutual funds</p> <p>iv) Government Securities</p> <p>v) Others (please specify)</p> <p>Long Term Investments</p> <p>1. Quoted:</p> <p>i) Shares: a) Equity</p> <p>b) Preference</p> <p>ii) Debentures and Bonds</p> <p>iii) Units of mutual funds</p> <p>iv) Government Securities</p> <p>v) Others (please specify)</p> | <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> |

| | |
|----------------------------|------------|
| 2. Unquoted: | |
| i) Shares: | |
| a) Equity shares | 17,310,000 |
| b) Warrants | 12,880,000 |
| b) Preference | Nil |
| ii) Debentures and Bonds | Nil |
| iii) Units of mutual funds | Nil |
| iv) Government Securities | Nil |
| v) Others (please specify) | |

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

| Category | | Amount net of provisions (Rs.) | |
|--------------------------------|------------|--------------------------------|--------------------|
| 1. Related Parties | Secured | Unsecured | Total |
| a) Subsidiaries | Nil | Nil | Nil |
| b) Companies in the same group | Nil | Nil | Nil |
| c) Other related parties | Nil | Nil | Nil |
| 2. Other than related parties | Nil | 117,549,655 | 117,549,655 |
| TOTAL | Nil | 117,549,655 | 117,549,655 |

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

| 1. Related parties | Break-up market value (Rs.) | Book value (net of provision) (Rs.) |
|---------------------------------|-----------------------------|-------------------------------------|
| (a) Subsidiaries | Nil | Nil |
| (b) Companies in the same group | Nil | Nil |
| 2. Other than related parties | 30,190,000 | 30,190,000 |
| TOTAL | 30,190,000 | 30,190,000 |

Other Information

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

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

Significant accounting policies and notes to the financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees)

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

As per our report of even date attached

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

Sd/-
Rohit Suri
Proprietor
Membership No.: 091064

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

| | |
|---------------------------|---|
| Sd/- | Sd/- |
| Rajeev Kumar Gupta | Sanjeev Kumar |
| Managing Director | Director |
| DIN: 01735427 | DIN: 06625416 |
| Sd/- | Sd/- |
| Sarita Gupta | Ronika Bharara |
| Chief Financial Officer | Company Secretary & Compliance Officer |
| DIN: 00113099 | Membership No.: 39463 |

Place: New Delhi
Date: 30.05.2016

Annexure I

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

As on financial year ended on 31.03.2016
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:

| | |
|--|--|
| CIN | L45202DL1985PLC019746 |
| Registration Date | January 01, 1985 |
| Name of the Company | Panafic Industrials Limited |
| Category/Sub-category of the Company | Company having Share Capital |
| Address of the Registered office & contact details | 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110026 |
| Whether listed company | Yes |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | Skyline Financial Services Private Limited D-153 A, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 |

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)

Panafic Industrials Limited is a Non Banking Financial Company. The Company got registered with the Reserve Bank of India as a Category B-NBFC Company on 7th March, 2005 and holds a valid certificate of registration bearing number B-14.03057. The main operation of the Company is to finance industrial enterprises by way of making loans or advances mainly to private industrial enterprises in India and dealing in sale purchase of the Securities.

III. VI. 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[As on 31-March-2015] | | | | No. of Shares held at the end of the year[As on 31-March-2016] | | | | % Change during the year |
|--------------------------|--|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter's | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 3812500 | 50000 | 3862500 | 4.70 | 3852270 | 10230 | 3862500 | 4.70 | 0.00 |
| 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 |
| Total shareholding of Promoter (A) | 3812500 | 50000 | 3862500 | 4.70 | 3852270 | 10230 | 3862500 | 4.70 | 0.00 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | 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 | 0 | 0 | 0 | 0 | 0.00 |
| 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 |
| Sub-total (B)(1):- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | | | | | | | | | |
| 2. Non-Institutions | | | | | | | | | |
| a) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 122778 | 8230 | 131008 | 0.16 | 4105705 | 1024520 | 5130225 | 6.25 | 6.09 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 76053580 | 1030000 | 77083580 | 93.86 | 50111940 | - | 50111940 | 61 | (32.86) |
| c) Any Other | 177372 | 870540 | 1047912 | 1.28 | 23020335 | - | 23020335 | 28 | 26.72 |
| Non Resident Indians | | | | | | | | | |
| Overseas Corporate Bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Clearing Members | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 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 |
| Sub-total (B)(2):- | 76353730 | 1908770 | 78262500 | 95.30 | 77237980 | 1024520 | 78262500 | 95.25 | -0.05 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 76353730 | 1908770 | 78262500 | 95.30 | 77237980 | 1024520 | 78262500 | 95.25 | -0.05 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Grand Total (A+B+C) | 80166230 | 80166230 | 1958770 | 82125000 | 81090250 | 1034750 | 82125000 | 100 | 0.00 |

B) Shareholding of Promoter:

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|----|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Rajeev Kumar Gupta | 1500000 | 1.83 | 0 | 1500000 | 1.83 | 0 | 0.00 |
| 2 | Sarita Gupta | 1362500 | 1.66 | 0 | 1362500 | 1.66 | 0 | 0.00 |
| 3 | Saroj Gupta | 500000 | 0.61 | 0 | 500000 | 0.61 | 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. | Lalit Mohanlal Jain | 10000000 | 12.18 | 7311634 | 8.9 |
| 2 | Vimalchand Karamchand Ranka | 7500000 | 9.13 | 5003674 | 6.09 |
| 3 | Pannalal Hastimal Gulecha | 5000000 | 6.09 | 3583106 | 4.36 |
| 4 | Amitkumar Pannalal Gulecha | 500000 | 6.09 | 3515752 | 4.28 |
| 5 | P Aashik | 2000000 | 2.44 | 1926275 | 2.35 |
| 6 | S Badrinarayanan | 2000000 | 2.44 | 1884496 | 2.29 |
| 7 | S Prashanth | 200000 | 2.44 | 1825000 | 2.22 |
| 8 | K R Annapurna | 200000 | 2.44 | 1610315 | 1.96 |

| | | | | | |
|----|----------------|--------|------|---------|------|
| 9 | Pramila P Jain | 200000 | 2.44 | 1529122 | 1.86 |
| 10 | Venkatesh A | 200000 | 2.44 | 1511653 | 1.84 |

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 | Rajeev Kumar Gupta | 1500000 | 1.83 | 1500000 | 1.83 |
| 2 | Sarita Gupta | 1362500 | 1.66 | 1362500 | 1.66 |

V. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure II

Form No. MR-3
SECRETARIAL AUDIT REPORT

[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, 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 our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the financial year ended on **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder (to the extent applicable) and The Companies Act, 1956 and rules made thereunder (to the extent applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing. (**Not Applicable to the Company during the Audit Period**).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**
- (vi) RBI Act, 1934 and RBI Regulations for NBFC's.
- (vii) Secretarial Standards issued by The Institute of Company Secretaries of India

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Ltd.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

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.

All the Directors have complied with the requirements of disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other Companies and interests in other entities. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the meetings were duly recorded and signed by the Chairman, Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

We further report that, based on the information received and records maintained by the company, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Ajay Kumar & Associates
Company Secretaries**

Sd/-

Ajay Kumar

Prop.

Mem. No. FCS 6473; CP No: 7047

Place : Delhi

Date: 20th August, 2016

ELECTRONIC VOTING PARTICULARS

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

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

ATTENDANCE SLIP

Venue of the Meeting: Hotel Aura Grand, 445, Jagriti Envclave, New Delhi-110092

Date and Time: 30th September, 2016 at 10:00 A.M.

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

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

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

I certify that I am a registered Shareholders/Proxy for the registered Shareholder of the Company. I/we hereby record my/our presence at the Annual General Meeting of the Company held on Tuesday, the 30th day of September, 2016 at 10.00 A.M., at Hotel Aura Grand, 445, Jagriti Envclave, New Delhi-110092

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: **Hotel Aura Grand, 445, Jagriti Enclave, New Delhi-110092**

Date and Time: **30th September, 2016 at 10:00 A.M.**

I/We, being the member(s) ofshares of the above named company, hereby appoint the following as my/our Proxy to attend vote (for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on 30th September, 2016 at 10.00 A.M. at Hotel Aura Grand, 445, Jagriti Enclave, New Delhi-110092 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 |
|---------------------------|--|-----------------------|-----|---------|
| ORDINARY BUSINESS: | | | | |
| 1 | To consider and adopt the audited Balance Sheet for the Financial Year ended 31st March, 2016, the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon. | | | |
| 2 | To appoint a Director in place of Ms. Renu (DIN: 03572788), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment | | | |
| 3 | To ratify the appointment of M/s Rohit Suri and Associates as the Statutory Auditors of the Company and to fix their remuneration in terms of Section 139, and Section 142 of the Companies Act, 2013 | | | |

| SPECIAL BUSINESS: | | | | |
|--------------------------|--|--|--|--|
| 4 | Approval of Borrowing Limits of the Company | | | |
| 5 | Approval of Creation of Charge/Mortgage on the assets of the Company | | | |

Signature of shareholder

Signature of Proxy holder(s)

Signed this Day of 2016

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.