



**PANAFIC INDUSTRIALS
LIMITED**

CIN: L45202DL1985PLC019746

33RD ANNUAL REPORT

For Financial Year 2017-18

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mrs. Sarita Gupta
Managing Director
DIN: 00113099

Ms. Renu
Non-Executive Director
DIN: 03572788

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

Mr. Ankur Sharma
Non-Executive Independent Director
DIN: 06625403

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Eti Vashist (Appointed w.e.f 06th August, 2018)
Ms. Ronika Bharara (Resigned w.e.f 06th August, 2018)

CHIEF FINANCIAL OFFICER

Ms. Sarita Gupta

STATUTORY AUDITORS

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

REGISTRAR & TRANSFER AGENT

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

ANNUAL GENERAL MEETING

Date: 29th September, 2018
Time: 09.30 A.M.
Day: Saturday
Venue: 23, IInd Floor, North West Avenue, Club Road,
West Punjabi Bagh, New Delhi-110026

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

BSE Limited
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 Thirty Third (33rd) **Annual General Meeting** of the Members of Panafic Industrials Limited will be held on **Saturday, the 29th day of September, 2018 at 9.30 A.M.**, at 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi – 110026 the registered office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Renu (DIN: 03572788), liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself 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, 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 for the said period.”

SPECIAL BUSINESSES:**ITEM NO. 5****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 all 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. 6

APPROVAL FOR CREATION OF CHARGES/MORTGAGES/HYOTHECATION ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013:

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 and 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.”

Place: Delhi
Date: 28th August, 2018

By Order of the Board
Sd/-
Eti Vashist
Company Secretary

NOTES:

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 33RD ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ENCLOSED. THE PROXY FORM DULY STAMPED AND EXECUTED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT 23, IIND FLOOR, NORTH WEST AVENUE, CLUB ROAD, WEST PUNJABI BAGH, NEW DELHI – 110026 AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.***
2. Corporate Members are intending to send their authorised representative(s) to attend the meeting are requested to send to the Company a certified copy of relevant board resolution together with the specimen signature(s) of the representative(s) authorised under the said Board resolution to attend and vote on their behalf at the meeting.
3. The relevant Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
4. 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.
5. 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.
6. 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.
7. Pursuant to the provisions of section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd September, 2018 to Friday, 28th September, 2018 (**both days inclusive**) in connection with AGM.
8. The Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form and to the Company, in case shares are held in electronic form and to the Company, in case shares are held in physical form.
9. The Annual Report 2017-2018 of the Company is also available on the Company's website at www.panaficindustrialsltd.com and also available on the website of the respective Stock Exchange at www.bseindia.com.

10. Voting through Electronic Means:

In compliance with provisions of Regulation 44 of SEBI (LODR) Regulations, 2015, Section 108 of the Companies Act, 2013 read with 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 33rd 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 26th September, 2018 at 9:00 A.M. and ends on 28th September, 2018 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.22nd September, 2018, 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:
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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).
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- (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.

CONTACT DETAILS:-

Company:	Panafic Industrials Limited 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi - 110026
Company Secretary & Compliance Officer:	Eti Vashist E-mail ID: panafic.industrials@gmail.com
Registrar & Share Transfer Agent:	Skyline Financial Services(P)Limited D-153A, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020
Agent e-voting Agency:	Central Depository Services (India) Limited E-mail ID: helpdesk.evoting@cdslindia.com Ph: 022-22723333/8588
Scrutinizer:	Mohit Singhal Practicing Company Secretary csmohitsinghal@gmail.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO.5****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. 6**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/-
Eti Vashist
Company Secretary

Place: Delhi
Date: 28th August, 2018

DIRECTORS' REPORT

To
The Members

Your Directors are happy to present the **33rd Annual Report** of your Company together with the Audited Accounts drawn for the year ended on 31st March, 2018.

FINANCIAL RESULTS

(Rupees)

Particulars	For The Year Ended	
	31 st March 2018	31 st March 2017
Sales/ Operating Income	10,773,401	12,449,300
Other Income	140,064	4,425
Total Revenue	10,913,465	12,453,725
Expenses:-		
Purchase of Stock in trade	-	-
Changes in Inventory of Stock -in-Trade	-	-
Employee Benefit Expenses	2,430,525	3,327,635
Depreciation and Amortisation Expenses	867,491	34,542
Administrative & Other expenses	6,754,872	1,082,171
Contingent Provision For Standard Assets	-	-
Finance Cost	292,830	1,768,658
Total Expenses	10,345,718	6,213,005
Profit Before Tax	567,748	6,240,720
Less: Current Tax	391,628	1,817,904
Deferred Tax	(159,892)	46,200
Prior Period Tax Adjustment	-	-
Profit/(Loss) After Tax	336,011	4,376,616

BUSINESS PERFORMANCE

Financial year 2017-18 concluded with a Net Profit of **Rs. 3,36,011/-** of the Company. Sincere efforts were 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.

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, 2018 transferred Rs. 67,202/- in respect of current year's profit to Statutory Reserve Fund from General Reserve. The total amount accumulated in Statutory Reserve Fund is Rs. 19,27,092/- on 31st March, 2018.

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

Further, the Company wished for the re-appointment Ms. Renu (DIN: 03572788), who retires by rotation in our ensuing 33rd Annual General Meeting as per the requirement of Section 152(6) of the Companies Act, 2013 and being eligible to offer herself for re-appointment.

❖ Company Secretary & Compliance Officer

During the year Ms. Ronika Bharara, Company Secretary and Compliance Officer of the Company resigned from her office w.e.f 06th August, 2018 and Ms. Eti Vashist was appointed as a Company Secretary and Compliance Officer of the Company w.e.f 06th August, 2018.

❖ 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.

❖ 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 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 2017-18.

PUBLIC DEPOSITS

The Company has not accepted deposit from public during the year and there was no deposit outstanding on 31st March, 2018.

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
1.	Mrs. Sarita Gupta	00113099	Managing Director	30/09/2014
2.	Ms. Renu	03572788	Director	30/09/2014
3.	Mr. Ankur Sharma	06625403	Director	09/07/2013
4.	Mr. Sanjeev Kumar	06625416	Director	09/07/2013

MEETINGS OF THE BOARD

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

During the year under review, Board of Directors of the Company met 6 times, viz, 30th May, 2017, 14th August, 2017, 28th August, 2017, 06th November, 2017, 10th February, 2018 and 31st March, 2018.

DIRECTORS ATTENDANCE RECORD AND DETAILS OF DIRECTORSHIPS HELD

Name of the Directors	No. of Board Meetings attended during Financial Year 2017 – 2018	Whether Previous AGM attended or not	No. of other Directorship in other Public Companies*
Mrs. Sarita Gupta	6	Yes	1
Mr. Ankur Sharma	6	Yes	Nil
Mr. Sanjeev Kumar	6	Yes	Nil
Ms. Renu	6	Yes	Nil

COMMITTEES

A) Audit Committee

The Company has formed audit committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Audit Committee meeting is generally held one in quarter for the purpose of recommending the quarterly/half yearly/yearly financial results and the gap between two meetings did not exceed on hundred and twenty days. Audit Committee met four times on 30th May, 2017, 14th August, 2017, 06th November, 2017 and 10th February, 2018.

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

S. No.	Name of the Director	Designation	Number of meetings during the financial year 2017-2018	
			Held	Attended
1.	Mrs. Sarita Gupta	Member	4	4
2.	Mr. Ankur Sharma	Member	4	4
3.	Mr. Sanjeev Kumar	Chairman	4	4

B) Nomination and Remuneration Committee

The Company has formed Nomination and Remuneration Committee in line with the provisions Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. Nomination and Remuneration Committee meetings are generally held for identifying the person who is qualified to become Directors and may be appointed in senior management and recommending their appointment and removal. During the year under review, committee met four times 30th May, 2017, 14th August, 2017, 06th November, 2017 and 10th February, 2018.

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

S. No.	Name of the Director	Designation	Number of meetings during the financial year 2017-2018	
			Held	Attended
1.	Mr. Ankur Sharma	Member	4	4

2.	Mr. Sanjeev Kumar	Member and Chairman	4	4
3.	Mrs. Sarita Gupta	Member	4	4

C) Shareholder's/ Investor Grievance Committee

The Company has constituted Stakeholder's Relationship Committee mainly to focus on the Redressal of Shareholders'/Inverstors' Grievances, if any, like Transfer/ Transmission/ Demat of Shares, Loss of Share Certificates, Non-receipt of Annual Report, Dividend Warrants, etc. During the year under review, Stakeholder's Grievance & Relationship Committee met four times 30th May, 2017, 14th August, 2017, 06th November, 2017 and 10th February, 2018.

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

S. No.	Name of the Director	Designation	Number of meetings during the financial year 2017-2018	
			Held	Attended
1.	Mrs. Sarita Gupta	Chairperson	4	4
2.	Mr. Sanjeev Kumar	Member	4	4
3.	Mr. Ankur Sharma	Member	4	4

EXTRAORDINARY GENERAL MEETING

No Extra Ordinary General Meeting was held during the year 2017-2018.

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.

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, 2018:

- i. That in the preparation of the annual accounts for the financial year ending 31st March, 2018, 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 efftetely;
- 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 Mohit Singhal & Associates, Company Secretaries, for the financial year ended March 31st, 2018, 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, Pushpanjali Enclave,
Pitam Pura, Delhi- 110034**

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

Place: Delhi

Date: 28th August, 2018

**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 31st March 2018, the Statement of Profit and Loss and the 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 the 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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 31st March 2018, 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 (Auditors' Report) Order, 2017 ('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, so far 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 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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, read with Companies (Audit and Auditors) Rules 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (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.
 - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8 November 2016 to 30 December 2016. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management.

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

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

**PLACE: NEW DELHI
DATED: 14-AUG-2018**

Annexure A to the Independent Auditors' Report

(Referred to in our report of even date)

- i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
According to the information and explanations given to us, no immovable property is owned by the Company. Hence, the provisions of paragraph (i)(c) of the Order is 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 Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
- 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 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues on account of Income-tax, Provi and Service tax which have not been deposited with the appropriate authorities on account of dispute as at 2018.
- 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, term loans have been obtained by the Company during the year and the same was utilized for the purpose it was taken. 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 is 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.091064**

**PLACE: NEW DELHI
DATED: 14-AUG-2018**

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PANAFIC INDUSTRIALS LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Panafic Industrials Limited ("the Company") as of 31 March 2018 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 the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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.091064**

**PLACE: NEW DELHI
DATED: 14-AUG-2018**

BALANCE SHEET AS AT 31st MARCH, 2018

(All amounts are in Indian rupees)

Particulars	Note	As at	As at
	No.	31 March 2018	31 March 2017
Equity and liabilities			
Shareholders' funds			
Share capital	2.1	82,125,000	82,125,000
Reserves and surplus	2.2	10,680,395	10,344,383
Non-Current Liabilities			
Long-term borrowings	2.3	47,398,477	58,720,305
Long-term Provisions	2.4	278,796	383,842
Current liabilities			
Short-term borrowings	2.5	9,570,222	16,763,005
Trade payables	2.6	-	-
-total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		104,840	4,361,830
Other current liabilities	2.7	1,139,072	1,998,507
Short-term provisions	2.8	483,331	598,978
		151,780,133	175,295,850
Assets			
Non-current Assets			
Fixed Assets	2.9	1,620,795	2,488,286
Intangible Assets		-	-
Non-current investments	2.10	-	25,190,000
Deferred tax assets (net)	2.11	215,051	55,159
Long-term loans and advances	2.12	112,587,006	143,020,412
Current assets			
Cash and bank balances	2.13	628,708	3,453,676
Short-term loans and advances	2.14	36,728,573	1,088,317
		151,780,133	150,942,316

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: 14.08.2018

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

Sd/-

Sd/-

Sarita Gupta
Chief Financial Officer
DIN: 00113099

Sanjeev Kumar
Director
DIN: 06625416

Sd/-

Eti Vashist

Company Secretary

Membership No.: 31471

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in Indian rupees)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from Operations	2.15	10,773,401	12,449,300
Other income	2.16	140,064	4,425
Total revenue		10,913,465	12,453,725
Expenses			
Employee benefits expense	2.17	2,430,525	3,327,635
Other expenses	2.18	6,754,872	1,082,171
Finance Cost	2.19	292,830	1,768,658
Depreciation and amortisation	2.9	867,491	34,542
Total expenses		10,345,718	6,213,006
Profit before tax		567,748	6,240,719
Tax expense			
Current income-tax		391,628	1,817,904
Deferred tax charge/ (credit)		(159,892)	46,200
Profit after tax for the year		336,011	4,376,615
Earnings per equity share (par value Rs. 1/- per share)			
Basic and diluted earnings per share (Rs.)	2.22	0.00	0.05

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

Sd/-

Sanjeev Kumar

Director

DIN: 06625416

Sd/-

Sarita Gupta

Chief Financial Officer

DIN: 00113099

Sd/-

Eti Vashist

Company Secretary

Membership No.: 31471

Place: New Delhi

Date: 14 AUG 2018

Cash Flow Statement for the year ended 31 March, 2018

(All amounts are in Indian rupees)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash Flow from Operating Activities		
Profit Before Tax	567,748	6,240,719
Add:		
Depreciation and amortisation	867,491	34,542
Provision for standard assets	(13,343)	172,022
Provision for Income Tax		598,978
Interest on car loan	164,482	
Operating profit before working capital changes	1,586,378	7,046,260
Adjustments for:		
(Increase)/ decrease in inventories	-	-
(Increase)/ decrease in trade receivables	-	-
(Increase)/ decrease in loans and advances	(35,640,256)	42,249,577
(Increase)/ decrease in other current assets	-	-
Increase/ (decrease) in Short Term Borrowings	(7,192,783)	(5,775,444)
Increase/ (decrease) in trade Payables	(4,256,990)	(5,420,880)
Increase/ (decrease) in other current liabilities	(859,435)	1,524,311
Increase/ (decrease) in short term provisions	-	-
Cash generated from operations	(46,363,087)	39,623,824
Income taxes paid (net of refund)	(598,978)	(1,817,904)
Deferred Tax (Assets)		49,433
Net cash from/ (used in) Operating Activities (A)	(46,962,065)	37,855,353
Cash Flow from Investing Activities		
Sale on investment	25,190,000	(2,522,828)
Long - term loans and advances	30,433,407	(63,720,089)
Deferred tax asset		(49,433)
Net cash from/ (used in) Investing Activities (B)	55,623,407	(66,292,350)
Cash Flow from Financing Activities		
Interest paid on term loans and bank overdrafts	(164,482)	-
Proceeds from car loan	-	-

Proceeds from/(repayment of) -long/short term borrowings (net)	(11,321,828)	28,864,352
Net cash from/ (used) in Financing Activities (C)	(11,486,310)	28,864,352
Net increase/ (decrease) in cash or cash equivalents (A+B+C)	(2,824,968)	427,357
Cash and Cash Equivalent at the beginning of the year (refer Note 2.16)	3,453,676	3,026,319
Cash and Cash Equivalent at the end of the year (refer Note 2.16)	628,708	3,453,676

Notes:

- The Cash Flow Statement has been prepared in accordance with the indirect method specified in AS-3, 'Cash Flow Statement' as notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 1 Include both long-term and short-term assets/ liabilities.

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: 14 AUG 2018

For and on behalf of Board of Directors of

Panafic Industrials Limited

Sd/-

Sanjeev Kumar

Director

DIN: 06625416

Sd/-

Sarita Gupta

Chief Financial Officer

DIN: 00113099

Sd/-

Eti Vashist

Company Secretary

Membership No.:

31471

Significant accounting policies and notes to the financial statements for the year ended 31 March 2018**(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.

(xiv) Depreciation on tangible fixed assets

Considering the applicability of Schedule II, the management has re-estimated useful lives of all its fixed assets. The management believes that depreciation rates currently.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives as prescribed under the Schedule II to the Companies Act, 2013. The company has used the following rates to provide depreciation on its fixed assets.

Categories	Schedule II (WDV)
Vehicles	8 Years

Leasehold improvements are depreciated over the period of the lease or useful lives of assets, whichever is lower on a straight line basis.

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/-
Sarita Gupta
Chief Financial Officer
DIN: 00113099

Sd/-
Sanjeev Kumar
Director
DIN: 06625416

Sd/-
Eti Vashist
Company Secretary
Membership No.: 31471

Place: New Delhi
 Date: 14.08.2018

Significant accounting policies and notes to the financial statements for the year ended 31 March, 2018

(All amounts are in Indian Rupees)

2. Notes to the Financial Statements

Particulars	As at 31 March 2018	As at 31 March 2017
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

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

	As at 31 March 2018			As at 31 March 2017		
	Number Value	Face (in Rs.)	Amount	Number Value	Face (in Rs.)	Amount
At the beginning of the year						
Equity Shares of Face value of Rs. 1/- each	82,125,000	1	82,125,000	8,212,5000	1	82,125,000
Add: Issued during the period	-	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-	-
Outstanding at the end of the year	82,125,000	1	82,125,000	8,212,5000	1	82,125,000

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 rank pari-passu in all respects including dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets, of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. 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 2018	Number of shares as at 31 March 2017
Vimalchand Karamchand Ranka	5,003,674	5,003,674

2.2: Reserves and surplus**Statutory reserve fund**

	As at 31 March 2018	As at 31 March 2017
Opening balance	1,859,890	976,364
Add: Addition during the year	67,202	883,526

	1,927,092	1,859,890
General reserve		
Opening balance	8,484,493	4,895,770
Transfer during the year	268,810	3,588,723
	8,753,303	8,484,493

Surplus

*refer to Note 2.29(b)

10,680,395	10,344,383
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2.3 Long-Term Borrowings

As at 31 March 2018	As at 31 March 2017
--------------------------------	--------------------------------

Secured

Car Loan from Bank*

1,474,202	1,850,267
-----------	-----------

Unsecured

Loans repayable on demand from others**

45,924,275	56,870,038
------------	------------

47,398,477	58,720,305
-------------------	-------------------

* The loan is secured by hypothecation of vehicle, repayable in 60 equal monthly installments of Rs. 45,972/- starting from the date of loan, 10 March 2017. The 12 monthly installments (excluding interest) as at Balance Sheet date amounting to Rs. 4,09,072 (previous year Nil) have been classified as 'current maturities of long term borrowings, under 'other current liabilities'. Interest rate is 8.80% per annum (previous year Nil).

** Interest rate varies from 9% to 12% per annum (previous year 9% to 12%)

2.4: Long-term provisions

Provision for standard assets

278,796	383,842
---------	---------

278,796	383,842
----------------	----------------

2.5: Short-term borrowings**Unsecured**

Loans repayable on demand from others *

9,570,222	16,763,005
-----------	------------

9,570,222	16,763,005
------------------	-------------------

* Interest rate varies from 9% to 12% per annum (previous year 9% to 12%)

2.6: Trade payables

Payables against goods and services

(a) Total outstanding dues of micro enterprises and small enterprises *

-

(b) Total outstanding dues of creditors other than micro enterprises and small enterprises

104,840	4,361,830
---------	-----------

104,840	4,361,830
----------------	------------------

* 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 2018 and 31 March 2017.

2.7: Other current liabilities

Current maturities of long term debt *	409,072	374,733
Salary, bonus and other employee payables	720,000	1,448,560
Withholding and other taxes payable	10,000	175,214
	1,139,072	1,998,507

* refer to Note 2.3

2.8: Short-term provisions

Provision for income-tax [net of advance tax Rs. 1,218,926 (previous year Nil)]	391,628	598,978
Provision for standard assets	91,703	-
	483,331	598,978

refer to Note 2.26

As at
31 March 2018

As at
31 March 2017

2.10: Non-current investments (non-trade, at cost)

A. Investment in equity instruments

Quoted

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

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

140,000 (previous year Nil) warrants of Capital Trade Links Limited - 12,880,000

- 25,190,000

Aggregate market value of quoted investments - -

Aggregate book value of quoted investments - 25,190,000

2.11: Deferred tax assets (net)

Difference between carrying cost of fixed assets as per Companies Act, 2013 and Income-tax Act, 1961 215,051 55,159

215,051 55,159

2.9: Fixed Assets

Particular	Gross block				Accumulated depreciation/ amortisation				Net block	
	As at	Additions	Deletion	As at	As at	Depreciation	Deletion	As at	As at	As at
	01 April 2017	during the year	during the year	31 March 2018	01 April 2017	charge for the year	during the year	31 March 2018	31 March 2018	31 March 2017
Tangible assets										
Vehicles	-	2,522,828	-	2,522,828	34,542	867,491	-	902,033	1,620,795	2,488,286
	-	-	-	-	-	-	-	-	-	
Grand total (I+II)	-	2,522,828	-	2,522,828	34,542	867,491	-	902,033	1,620,795	2,488,286
<i>Previous year total</i>	-	-	-	-	-	34,542	-	34,542	-	2,488,286

2.12: Long-term loans and advances (unsecured, considered good)

Standard Assets - Unsecured: Considered good	111,518,326	143,020,412
Income-taxes recoverable	1,068,680	-
	112,587,006	143,020,412

2.13: Cash and bank balances

Cash and cash equivalents

Cash in hand	12,048	445,450
Balances with banks:		
- in current accounts	616,659	3,008,226
	628,708	3,453,676

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

Receivable under financing activities

Standard Assets - Unsecured: Considered good	36,681,175	-
Advance to Brokers	-	1,000,000
Prepaid Insurance	47,398	88,317
	36,728,573	1,088,317

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.15: Revenue from operations		
Income from financing activities	10,712,664	11,989,300
Income from trading in securities	60,737	460,000
	10,773,401	12,449,300
2.16: Other income		
Miscellaneous income	-	4,425
Short & Excess	140,064	-
	140,064	4,425
2.17: Employee benefits expense		
Salaries and wages	1,710,525	3,327,635
Director Remuneration	720,000	-
	2,430,525	3,327,635
2.18: Other expenses		
Travelling and conveyance	325,000	350,000
Printing and stationery	15,161	27,158
Accountancy Charges	125,600	52,000
Advertisement	15,347	27,311
Audit fees *	17,700	15,000
Listing fees	362,402	309,725
Fees & Subscription	15,500	22,764
Festival celebration expenses	-	10,800
Penalty for Non-compliance	318,895	-
Provision for standard assets	(13,343)	172,022
Power & Fuel	5,620	48,305
Insurance expense	90,919	4,314
Bad Debts	5,400,000	-
Website expenses	4,130	3,500
Legal and professional	68,121	36,665
Miscellaneous	3,820	2,607
	6,754,872	1,082,171

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 auditors	17,700	15,000
For tax audit	-	-
For other matters	-	-
Reimbursement of expenses	-	-

17,700

15,000

** refer to Note 2.33

2.19: Finance cost

Interest paid	-	1,752,135
Interest on Car Loan (PNB)	164,482	-
Interest on Income Tax	101,022	-
Interest on TDS	15,769	-
Bank charges	11,557	16,523
	292,830	1,768,658

2.20 Segment Reporting

Segment Information for the year ended March 31, 2018

Particulars	Financing Activities	Dealing in Securities	Unallocated Others	Total
i) Segment revenue	10,712,664	60,737	140,064	10,913,465
	(11,989,300)	(460,000)	(4,425)	(12,453,725)
ii) Segment Results	10,699,321	60,737	140,064	10,900,122
	(10,409,187)	(460,000)	(4,425)	(10,876,612)
Less : I. Interest				-
				-
II. Unallocable expenditure / (net of unallocable income)				10,332,375
				(4,632,893)
Less: Taxation				231,736
				(1,864,104)
Total profit after tax				336,011
				(4,376,615)
iii) Segment Assets	148,199,501	-	891,157	149,09,658
	(143,020,412)	(25,190,000)	(4,597,152)	(172,807,564)
iii) Segment Liabilities	57,730,826	-	1,243,912	58,974,738
	(76,466,130)	-	(6,360,337)	(82,826,467)
iv) Capital expenditure	-		2,522,828	2,522,828
v) Depreciation	-		867,491	867,491

	-	-	-
vii) Non cash expenses other than depreciation			
-Provision for standard assets	(13,343)		(13,343)
	172,022		172,022

a) 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.

b) Segment revenue, results, assets and liabilities include amounts identifiable to each segment and amounts allocated on a reasonable basis.

c) 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

a) Sarita Gupta	Director and CFO
b) Renu	Director
c) Ankur Sharma	Director
d) Sanjeev Kumar	Director

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

Particulars	(Amount in Rs.)	
	Amount Outstanding	Amount Overdue
Liabilities Side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
a) Debentures : Secured		
Unsecured	Nil	Nil
(other than falling within the meaning of public deposits)	Nil	Nil
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.)
(3) Break-up of Loans and advances including bills receivables [other than those included in (4) below:]		Nil
a) Secured		Nil
b) Unsecured (net of provisions)		148,199,500

2.22. Basic and Diluted Earnings per Share

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Net Profit attributable to Equity Shareholders *	336,011	4,376,615
Weighted Average No. of Equity Shares for basic & diluted EPS	82,125,000	82,125,000
Nominal Value per Share	Re. 1/-	Re. 1/-
Basic & Diluted EPS	Rs. (0.00)	Rs. (0.05)

*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:

(4) Break-up of Leased Assets stock on hire and hypothecation loans counting towards EL / HP activities (net of provision)	
i) Lease assets including lease rentals under sundry debtors a) Financial lease b) Operating lease	Nil Nil Nil
ii) Stock on hire including hire charges under sundry debtors : a) Assets on hire b) Repossessed assets	Nil Nil Nil
iii) Hypothecation loans counting towards EL / HP activities a) Loans where assets have been repossessed b) Loans other than (a) above	Nil Nil Nil

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

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

Category	Amount net of provisions (Rs.)		
	Secured	Unsecured	Total
1. Related Parties			
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	148,199,500	148,199,500
TOTAL	Nil	148,199,500	148,199,500

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	Nil	Nil
TOTAL	Nil	Nil

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.

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.

In terms of our Audit 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: 14.08.218

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

Sd/-
Sarita Gupta
Chief Financial Officer
DIN: 00113099

Sd/-
Sanjeev Kumar
Director
DIN: 06625416
Sd/-
Eti Vashist
Company Secretary
Membership No.: 31471

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018
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	01 st January, 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 Ms. Eti Vashist (Company Secretary & Compliance Officer) Ph:- 01125223461
Whether listed company	Yes (Bombay Stock Exchange-BSE)
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 Ph: 01140450193-97

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

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 07th 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. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Company has no Holding, Subsidiary and Associate Companies as on 31st March, 2018

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	5152270	10230	5162500	6.29	5152270	10230	5162500	6.29	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)	5152270	10230	5162500	6.29	5152270	10230	5162500	6.29	0.00
B. Public Shareholding									
I. 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. 2 lakh	30607811	1024520	31632331	38.51	30607811	1024520	31632331	38.51	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	20956872	-	20956872	25.51	20956872	-	20956872	25.51	0.00
c) Any Other	24373292	-	24373292	29.67	24373292	-	24373292	29.67	0.00
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	5	0	5	0.05	5	0	5	0.05	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):-	75,937,975	1024520	76,962,495	93.74	75,937,975	1024520	76,962,495	93.74	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	75,937,975	1024520	76,962,495	93.4	75,937,975	1024520	76,962,495	93.74	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	81090250	1034750	82125000	100	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	2662500	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	SUVIDHA BUILDTECH PRIVATE LIMITED	3008282	3.66	3008282	3.66
2	COMPETENT FINLEASE PVT LTD	2170958	2.64	2170958	2.64
3	P SADHANA	1913872	2.33	1913872	2.33
4	R SRINATH	1809778	2.20	1809778	2.20
5	S BADRINARAYANAN	1609496	1.96	1609496	1.96
6	K R ANNAPURNA	1595315	1.94	1595315	1.94
7	VAIBHAV DAMODAR KHEDEKAR	1500068	1.83	1500068	1.83
8	A RANGANATHAN	1226097	1.49	1226097	1.49
9	BALAJI B	1074272	1.31	1074272	1.31
10	VENKATESH A	933302	1.14	933302	1.14

D) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i)Principal Amount	1,850,267	56,870,038	0	58,720,305
ii)Interest accrued but not paid	0	0	0	0
iii)Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,850,267	56,870,038	0	58,720,305
Change in Indebtedness during the financial year				
Addition	0	0	0	0
Reduction	(376,065)	(10,945,763)	0	(11,321,828)
Net Change	(376,065)	(10,945,763)	0	(11,321,828)
Indebtedness at the end of the financial year				
i)Principal Amount	1,474,202	45,924,275	0	47,398,477
ii)Interest accrued but not paid	0	0	0	0
iii)Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,474,202	45,924,275	0	47,398,477

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	MANAGING DIRECTOR (MRS. SARITA GUPTA)			Total Amount in Lacs
1.	Gross Salary	3,60,000	-	-	3,60,000
	(a)Salary as per provisions contained in section 17(1) of the Income Act, 1961	-	-	-	-
	(b)Value of perquisites u/s 17(2) of the Income Act, 1961	-	-	-	-
	(c)Profits in lieu of salary under section 17(3) of the Income Act, 1961	-	-	-	-
2	Stock option	0	-	-	-
3	Sweat Equity	0	-	-	-
4	Commission	0	-	-	-
	-as % profit	0	-	-	-
	-others (specify)	0	-	-	-
5	Others, please specify	0	-	-	-
	Total	3,60,000	-	-	3,60,000

B. Remuneration to Key Managerial Personnel other than MD/WTD/Manager:-

Sr. No.	Particulars of Remuneration	COMPANY SECRETARY (MRS. RONIKA BHARARA)			Total Amount in Lacs
1.	Gross Salary	2,50,000	-	-	2,50,000
	(a)Salary as per provisions contained in section 17(1) of the Income Act, 1961	-	-	-	-
	(b)Value of perquisites u/s 17(2) of the Income Act, 1961-	-	-	-	-
	(c)Profits in lieu of salary under section 17(3) of the Income Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	-as % profit	-	-	-	-
	-others (specify)	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	2,50,000	-	-	2,50,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

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

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 (the audit period), 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- 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, Overseas Direct Investment and External Commercial Borrowings; (*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;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(Not Applicable to the Company during the Audit Period)*
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(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)*

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc., mentioned above. ***However, the stringent applicability to the Companies Act, 2013, SEBI Act, 1992 and their Rules and Regulations is required.***

I further report that,

the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors; 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. **However, Mrs. Sarita Gupta holds two designations as Managing Director and Chief Financial Officer of the Company and the composition of the Board is not constituted with proper balance of Executive and Executive Directors and Non-Executive Directors.**

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board of Directors were unanimous and no dissenting views have been recorded.

I further report that based on the review of the compliance reports/certificates of the Company Secretary which were taken on record by the Board of Directors, 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.

I further report that during the audit period the company following specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.

**For Mohit Singhal & Associates
Company Secretaries**

**Place: New Delhi
Date:**

**Sd/-
Mohit Singhal
Proprietor
ACS No.: 43204;
CP No.: 15995**

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

ELECTRONIC VOTING PARTICULARS

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

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

ATTENDANCE SLIP

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

Date and Time: 29th September, 2018 at 9:30 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 Saturday, the 29th day of September, 2018 at 9.30 am at 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110026.

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

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

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

CIN: **L45202DL1985PLC019746**

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

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

Date and Time: **29th September, 2018 at 09:30 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 33rd Annual General Meeting of the Company to be held on 29th September, 2018 at 09.30 A.M. at 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi – 110026 and at any adjournment thereof) in respect of such resolutions as are indicated below:

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

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

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

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

S. No.	Resolution	Number of shares held	For	Against
ORDINARY BUSINESS:				
1	To consider and adopt the audited Balance Sheet for the Financial Year ended 31st March, 2018, 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 2018

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.

PANAFIC

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

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

Name of the Company: Panafic Industrials Limited Registered Office: 23, IInd Floor, North West Avenue, Club Road, West Punjabi Bagh, Delhi-110026 CIN: L45202DL1985PLC019746		
BALLOT PAPER		
S. No.	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

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

No.	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	To consider and adopt the audited Balance Sheet for the Financial Year ended 31st March, 2018, the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.			
2.	To re-appoint M/s Rohit Suri and Associates as the Statutory Auditors and to fix their remuneration in terms of Section 139, 141 and Section 142 of the Companies Act, 2013.			
4.	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			
5.	Approval of Borrowing Limits of the Company			
6.	Approval of Creation of Charge/Mortgage on the assets of the Company			

Place:

Date:

Signature of the Shareholder