SRDP & CO.
CHARTERED ACCOUNTANTS
508, Arunachal Building, 19, Barakhamba Road, New Delhi-110001
Tel. : 011-43592522, 49534526
E-mail : sudhiricai@yahoo.com

Independent Auditor's Report

To the Members of Panafic Industrials Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Panafic Industrials Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement ofChanges in Equity and Statement of Cash Flow for the year then ended, and a summary ofthe significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, theaforesaid financial statements give the information required by the Companies Act, 2013(the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2022, and its profit (financial performance including other comprehensive income), changes in equity and its cashflows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to Note 30 to financial statements which explains the management's assessment of the financial impact on the financial statements of the Company due to lockdown and other restriction imposed by the Government of India and other conditions related to the COVID-19 pandemic situation due to which the Company's business may also be affected in short to medium term

Our opinion is not modified in respect of abovementioned matter.

Other Information

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in Section134(5) of the Act with respect to the preparation of these financial statements that give true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) . This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financialstatements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

auditor'sreport that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financialstatements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2) As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by theCentral Government of India in terms of Section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2022taken on record by the Board of Directors, none of the directors is disqualified as on March31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

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

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

(iii) There has been no amount which was required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2022;

(iv) The disclosure in the financial statements regarding holding as well as dealing in specified bank notes during the period from 08 November 2016 to 30 December 2016 have-not been made in the since they do not pertain to the financial year ended 31March 2022.

(v)

a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), With the understanding whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by company from any person or entity, including foreign entity ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall. Whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party ("Ultimate Beneficiaries") or provide any guarantee, Security or the like on behalf of Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

(v) During the year, company has not declared or paid dividend during the year which is in compliance with section 123 of the Companies Act, 2013.

ForSRDP & Co.
Chartered Accountants
FRN 509930C

SRDP & CO.
FRN : 509930C
Chartered Accountants

Sudhir Kumar Agarwal
Partner
M.No088583

Place: New Delhi
Date :: 30.05.2022
UDIN: 22088583AKRTVW7869

"Annexure A" to the Independent Auditor's Report

Persuant to the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act.

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

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

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, Plant and Equipments and Intangible Assets.

(b) The Company has a regular programme of physical verification of its Property, Plant and Equipmentsannually. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) As informed to us, the Company does not own any immovable property, hence, clause 3(i)(c) of the order is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipments and Intangible Assets during the year.

(e) No Proceedings have been initiated during the year or are pending against the company as at March 31st, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. As informed to us, the Company does not hold any inventory; hence clause 3(ii) of the Order is not applicable.

iii. The Company has not granted any loans, secured or unsecured to other parties covered in the register maintained under Section 189 of the Act. Further, there are no limited liability partnerships or firms which are covered in the register maintained under Section 189 of the Act; hence clause 3(iii) of the Order is not applicable.

iv. According to the information and explanations given to us, the Company has not given any loans and guarantees, to parties covered under section 185 and 186 of the Companies Act, 2013.

v. In our opinion, and according to explanations given to us, the Company has not accepted any deposits from public to which directives issued by Reserve Bank of India and provisions of Section 73 to 76 of the Companies Act, 2013 including rules framed there under apply

vi. The Company is a Non-Banking finance Company hence clause 3 (vi) of the order regarding compliance of maintenance of cost recordsunder sub-section (1) of Section 148 of the Act is not applicable on the Company.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Provident Fund, Service tax, Good and Service tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues on account of Income-tax, Goods and service tax, Provident Fund and Service tax which have not been deposited with the appropriate authorities on account of dispute as at31 March 2022.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act. 1961.

ix.

a. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of Loans or borrowings or in the interest from the banks or financial institutions.

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

c. The Loans were applied to the purpose for which they aere taken. No instances of diversion of funds were identified during the audit.

d. On an overall examination of the financial statements of the company, no funds were raised for short term by the company. Hence reporting under this clause is not applicable.

e. On an overall examination of the financial statements of the company, the Company has not taken any funds from the entity or person on account of or to meet the obligations of its subsidiaries.

f. The company has not raised any loans during the year and hence reporting of the clause 3(ix)(f) is not applicable.

x. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loans. Also, Company has not made any preferential allotment or private placement of the shares or convertible debentures (fully or partly or optionally). Accordingly, the provisions of clause 3(x) of the order are not applicable to the company and hence not commented upon.

xi. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year. Also, there were no whistle blower complaints received by the company which could be considered while determining the Nature, Timing and Extent of the Audit procedures. hence, reporting under clause 3(xi) is not applicable.

xii. According to the information and explanations given to us, the Company is not a NidhiCompany. Hence, clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements, as required, by the applicable accounting standards.

xiv.

a. In our opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.

b. We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

xvi.

a. According to the information and explanations given to us, the Company is registered under Section 45-1A of the Reserve Bank of India Act, 1934. We have obtained copy of the registration certificate of the Company.

b. The company has not conducted any Non-banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve bank of India Act, 1934.

c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d. There are no CIC as a part of the group.

xvii. The Company has not incurred any cash losses during the financial year under audit and in the preceeding financial year.

xviii. There has been no resignation of statutory auditors of the company during the financial year.

xix. On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit reports indicating the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to future viability of the company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as they fall due.

xx. The CSR requirements are not applicable on the company. Hence reporting under this clause 3(xx) is not applicable.

For SRDP & Co.
Chartered Accountants
FRN 509930C

SRDP & CO. FRN : 509930C New Delhi Chartered Accountants

Sudhir Kumar Agarwal
Partner
M.No088583

Place: New Delhi
Date : : 30.06.2022
UDIN: 22088583AKRTVW07869

"Annexure B" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Panafic Industrials Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at31 March, 2022, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRDP & Co.
Chartered Accountants
FRN 509930C

SRDP & CO. FRN: 509930C New Delhi Chartered Accountants

Sudhir Kumar Agarwal
Partner
M.No:088583

Place: New Delhi
Date : : 10.06.2022
UDIN:22088583AKRTVW7869

Panafic Industrials Limited
Balance Sheet
As at 31 March 2022

(All amounts in Rs.)

Particulars	Note No	As at 31 March 2022	31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	3	6,751,475	6,741,548
Investments	4	9,933,569	-
Loans	5	83,065,526	164,014,679
Trade Receivable		969,971	-
		100,720,541	**170,756,227**
Non-financial assets			
Current tax assets (net)		5,044	679,809
Deferred tax assets (net)	6	1,392,880	4,762,791
Property, plant and equipment	7	291,562	447,719
Other non-financial assets	8	679,809	20,776
		2,369,295	**5,911,095**
Total assets		**103,089,836**	**176,667,322**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of other than micro enterprises and small enterprises		67,938	932,903
Borrowings	10	381,453	91,956,386
Other financial liabilities	11	720,000	32,700
		1,169,391	**92,921,989**
Non-financial liabilities			
Other non-financial liabilities	12	-	-
		-	-
Equity			
Equity share capital	13	82,125,000	82,125,000
			-
Other equity	14	19,795,445	1,620,333
Total liabilities and equity		**101,920,445**	**83,745,333**
		103,089,836	**176,667,322**
		-	-
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For SRDP & CO
Chartered Accountants
ICAI Firm Registration number : 509930C

SRDP & CO. FRN 509930C New Delhi Chartered Accountants

Sudhir Kumar Aggarwal
Partner
Membership number 088583

Date : 10.06.2022
Place : New Delhi

On behalf of the Board of Directors

For Panafic Industrials Ltd
Director/Authorised Sig

Sanjeev Kumar
Director
DIN: 06625416

For Panafic Industrials Ltd
Director/Authorised Sig

Sanita Gupta
DIN: 0113099

Rinku
Company Secretary

Panafic Industrials Limited
Statement of Profit and Loss
For the year ended 31 March 2022

(All amounts in Rs.)

Particulars	Note No	For the year ended 31 March 2022	31 March 2021
Revenue from operations			
Interest income	15	7,425,040	4,981,326
Other income	16	14,261,751	-
Total income		**21,686,791**	**4,981,326**
Expenses			
Finance costs	17	77,335	130,342
Change In Stock		-	-
Impairment on financial instruments	18	208,184	967,243
Employee benefits expenses	19	1,567,110	567,271
Depreciation and amortisation expenses	7	156,157	239,794
Other expenses	20	4,773,145	1,461,073
Total expenses		**6,781,931**	**3,365,723**
Profit before tax		**14,904,860**	**1,615,603**
Tax expense			
Current tax		213,376	-
Deferred tax (credit)/charge		2,300,759	(1,140,129)
Total tax expense		**2,514,135**	**(1,140,129)**
Profit after tax		**12,390,724**	**2,755,732**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:		-	-
Change in Fair Value of Equity Instruments at FVOCI		324,537	
Gain on sale of invesment		6,529,003	
Tax Impact on Above Item		-1,069,152	
Items that will be reclassified to profit or loss in subsequent periods:			
Other comprehensive income for the year (net of tax)		**5,784,388**	**-**
Total comprehensive income for the year		**18,175,112**	**2,755,732**
Weighted average number of shares for calculating basic and diluted Earning per share		82,125,000	82,125,000
Earnings per share			
(Nominal value Rs. 1/- per share)		0.22	0.03

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements

As per our report of even date
For SRDP & CO
Chartered Accountants
ICAI Firm Registration number : 509930C

SRDP & CO FRN - 509930C New Delhi Chartered Accountants

Sudhir Kumar Aggarwal
PARTNER
Membership number 088583

Date : 10.06.2022
Place : New Delhi

On behalf of the Board of Directors

For Panafic Industrials Ltd

Sanjeev Kumar
Director
DIN: 06825416

Director/Authorised Sig

For Panafic Industrials Ltd

Sarita Gupta
Director & CFO
DIN:0113099

Sarita Gupta

Director/Authorised Sig

Rinku

Rinku Jha
Company Secretary

Panafic Industrials Limited
Statement of cash flows
For the year ended 31 March 2022

	Particulars	For the year ended 31 March 2022	31 March 2021
			(All amounts in Rs.)
A.	**Cash flows from operating activities**		
	Profit before tax	21,758,400.	1,615,603.
	Adjustments for:		
	Depreciation	156,157	239,794
	Impairment on Financial Instruments	208,184	967,243
	Reversal of Provision	14,261,751	
	Bad debt	2,748,188	
	Operating Profit before working capital changes	**39,132,679.**	**2,822,640.**
	(Increase)/ Decrease in loans & advances	66,479,218	2,135,784.
	(Increase)/ Decrease in other financial assets	-969,971	239,794.
	(Increase)/ Decrease in other non-financial assets	(3,155,187)	979,224.
	Increase/ (Decrease) in other trade payables	-864,965	739,176
	Increase/ (Decrease) in other financial liabilities	687,300	32,700
	Increase/ (Decrease) in other non-financial liabilities		-605,280
	Cash flows / (cash used in) Operations	**101,309,074**	**6,344,038.**
	Income Taxes Paid	209,355.	-140,832
	Net Cash flows/ (cash used in) Operating Activities (A)	**101,518,430**	**6,203,206.**
B.	**Cash Flows from Investing Activities**		-
	Investment in equity shares	-9,933,569	
	Net Cash from Financing Activities (C)	**-9,933,569**	
C.	**Cash flows from financing activities**		
	Proceeds/(Repayment) from Borrowings (other than debt securities)	(91,574,933)	-14,199
	Amount received from share application money	-	
	Net Cash from Financing Activities (C)	**(91,574,933)**	**-14,199**
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**9,927**	**6,189,007.**
	Cash and cash equivalents at beginning of year	6,741,548	552,542
	Cash and cash equivalents at end of year	**6,751,475**	**6,741,549**
		-0	

Notes :

1 The cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standards (Ind AS 7)
2 The significant accounting policies and notes to the financial statements form an integral part of the Cash Flow Statement.

As per our report of even date
For SRDP & CO
Chartered Accountants
ICAI Firm Registration number : 509930C

Sudhir Kumar Aggarwal
PARTNER
Membership number 088583
Date : 10.06.2022
Place : New Delhi

SRDP & CO. FRN : 509930C New Delhi Chartered Accountants

On behalf of the Board of Directors
For Panafic Industrials Ltd

Sanjeev Kumar	**Sarita Gupta**
Director	*Director*
DIN: 06625416	DIN: 01113099

For Panafic Industrials Ltd
Director/Authorised Sig

Rinku Jha
Company Secretary

Director/Authorised Sig

Panafic Industrials Limited
Statement of changes in equity
for the year ended 31 March 2022

(All amounts in Rs.)

Equity share capital

	For the year ended	
	31 March 2021	**31 March 2020**
Balance at the beginning of the year	82,125,000	82,125,000
changes in equity share capital during the year (refer note : 10)	-	-
Balance at the end of the year	82,125,000	82,125,000

Other equity

	Reserve and surplus				
	Retained earnings	Reserve fund as per RBI Act	General reserve	Other comprehensive income	**Total other equity**
Balance as at 1 April 2019	**-**	**2,307,892**	**10,276,505**	**-**	**(1,135,399)**
Profit after tax	(13,719,796)			-	2,755,732
Other comprehensive income (net of tax)					-
	(13,719,796)	2,307,892	10,276,505	-	1,620,333
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-	-
Transfer to general reserve	13,719,796		(13,719,796)	-	-
Balance as at 31 March 2020	-	**2,307,892**	**(3,443,291)**	-	**1,620,333**
Balance as at 1 April 2020	**-**	**2,307,892**	**(3,443,291)**	**-**	**(1,135,399)**
Profit after tax	2,755,732			-	2,755,732
Other comprehensive income (net of tax)					-
	2,755,732	2,307,892	(3,443,291)	-	1,620,333
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(551,146)	551,146			-
Transfer to general reserve	(2,204,585)		2,204,585		-
Balance as at 31 March 2021	**1**	**2,859,038**	**(1,238,706)**	**-**	**1,620,333**
Balance as at 1 April 2021	**1**	**2,859,038**	**(1,238,706)**	**-**	**1,620,333**
Profit after tax	12,390,724			-	12,390,724
Other comprehensive income (net of tax)				5,784,388	5,784,388
	12,390,725	2,859,038	(1,238,706)	5,784,388	19,795,445
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(3,635,022)	3,635,022			-
Transfer to general reserve	(8,755,703)		8,755,703		-
Balance as at 31 March 2022	**-**	**6,494,060**	**7,516,997**	**5,784,388**	**19,795,445**

As per our report of even date
For SRDP & CO
Chartered Accountants
ICAI Firm Registration number : 509930C

SUDHIR KUMAR AGGARWAL
Partner
Membership number 088583
Date : 10.06.2022
Place : New Delhi

SRDP & Co. FRN : 509930C New Delhi Chartered Accountants

On behalf of the Board of Directors

For Panafic Industrials Ltd.
Director/Authorised Sig.

Sanjeev Kumar
Director
DIN: 06425416

For Panafic Industrials Ltd.
Director/Authorised Sig.

Sarita Gupta
Director & CFO
DIN: 0113099

Rinku Jha
Company Secretary

Basis of preparation

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

For all periods up to and including the year ended 31 March 2022, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2022 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 27.

Presentation of financial statements

The Company presents its Balance Sheet in order of liquidity.

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

Critical accounting and judgments

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

1. Summary of significant accounting policies

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

i. Income

a) Interest income

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

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

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

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

b) Dividend income

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

c) Income from trading in securities

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

d) Net gain on fair value changes

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

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

ii. Expenditures

a) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR.

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

iii. Cash and cash equivalents

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

iv. Financial instruments

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

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

a) **Initial measurement**

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

Subsequent measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

v. Taxes

a) Current tax

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

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

b) Deferred tax

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

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

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

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

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

vi. Property, plant and equipment

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

Depreciation on property, plant and equipment

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

vii. Impairment of non-financial assets

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

viii. Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

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

20. Segment information

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

21. Contingent liabilities and commitments

	For the year ended	
	31 March 2022	31 March 2021
Contingent liabilities	-	-
Commitments	-	-

22. Changes in liability

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

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

I. List of related parties

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

II. Related party transactions made during the year,

Particulars	31 March 2022	31 March 2021
Weekline Investment and Trading Company Limited		
Loan given	-	-
Repayment of loan received	-	-
Interest income	-	-
Balance receivable	-	-

24. Capital

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

I. Capital management

<u>Objective</u>
The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its

business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

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

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

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

25. Events after reporting date

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

26. Fair values

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

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

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

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

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

27. Financial risk management

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

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

Market risk

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

Interest rate risk

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

Credit Risk

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

Liquidity Risk

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

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

28. Disclosure pursuant to RBI Notification - RBI/2020-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/ 2020-20 Dated 13 March 2022 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

Asset classification as per RBI Norms (1)	**Asset classification as per Ind AS 109 (2)**	**Gross carrying amount as per Ind AS (3)**	**Loss allowance (Provisions) as required under Ind AS 109 (4)**	**Net carrying amount (5) = (3) – (4)**	**Provision required as per IRACP norms (6)**	**Difference between Ind AS 109 provision and IRACP norms (7) = (4) – (6)**
(a) Performing assets						
Standard assets	Stage 1	8,32,73,710	2,08,184	8,30,65,526	2,08,184	-
	Stage 2					
Subtotal (a)		**8,32,73,710**	**2,08,184**	**8,30,65,526**	**2,08,184**	-
(b) Non-performing assets (NPA)						
(i) Sub-standard assets	Stage 3					
(ii) Doubtful up to						
1 year	Stage 3			-		-
1 to 3 years	Stage 3			-		-
More than 3 years	Stage 3			-		-
Subtotal (ii)		-	-	-	-	-
(iii) Loss assets	Stage 3		-	-	-	-
Subtotal (B)		-	-	-	-	-
(c) Other Items	Stage 1			-		-
	Stage 2			-		-
	Stage 3			-		-
Subtotal (c)		-	-	-	-	-
Total (a+b+c)	Stage 1	8,32,73,710	2,08,184	8,30,65,526	2,08,184	-
	Stage 2	-	-	-	-	-

	Stage 3					-
	Total	**8,32,73,710**	**2,08,184**	**8,30,65,526**	**2,08,184**	-

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

	(Amount in Rs.)	
Liabilities Side:	**Amount Outstanding**	**Amount Overdue**
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
a) Debentures : Secured		
: Unsecured		
(other than falling Within the meaning of public deposits)	-	-
b) Deferred credits	-	-
c) Term loans	381,453	
d) Inter-corporate loans & borrowings	-	-
e) Commercial paper	-	-
f) Public deposits	-	-
g) Other loans –	-	-
i) Working capital loans from banks	-	-
ii) Security deposit for corporate		
guarantee	-	-
Secured loans	-	-
(2) Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) :		
a) In the form of unsecured debentures :		
b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of security		
c) Other public deposits	-	-

Assets side :	**Amount Outstanding (Rs.)**
(1) Break-up of Loans and advances including bills receivables [other than those included in (4) below :]	
a) Secured	
b) Unsecured (net of provisions)	-
(2) Break-up of Leased Assets stock on hire and other loans counting towards AFC activities (net of provision)	
i)Lease assets including lease rentals under sundry debtors	
a) Financial lease	
b) Operating lease	-

ii)Stock on hire including hire charges under sundry debtors :	-
a) Assets on hire	-
b) Repossessed assets	
iii) Hypothecation loans counting towards EL / HP activities	
a) Loans where assets have been repossessed	-
b) Loans other than (a) above	

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

iii) Units of mutual funds	-
iv) Government Securities	-
v) Others	-

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

Category	Amount net of provisions (Rs.)		
1. Related Parties	**Secured**	**Unsecured**	**Total**
a) Subsidiaries	-	-	-
b) Companies in the same group	-	-	-
c) Other related parties	-	-	-
2. Other than related parties	-	8,30,65,526	8,30,65,526

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

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

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

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

As per our report of even date

For SRDP & Co.
Chartered Accountants
ICAI Firm Registration number:509930C

Sudhir Kumar Agarwal
Partner
Membership number 088583

Date:10.06.2022
Place: NewDelhi

On behalf of the Board of Directors

For Panafic Industrials Ltd

Sanjeev Kumar
Director
DIN: 06625418
Director/Authorised Sig

For Panafic Industrials Ltd

Sarita Gupta
Director & CFO
DIN: 9113099
Director/Authorised Sig

Rinku Jha
Company Secretary

Panafic Industrials Limited
Notes to the financial statements
For the year ended 31 March 2022

(All amounts in Rs.)

	Particulars	As at 31 March 2022	31 March 2021
3.	**Cash and cash equivalents**		
	Cash on hand	1,944,044	1,498,705
	Balance with banks in current account	4,807,431	5,242,843
		6,751,475	6,741,548
4.	**Investments**		
	Quoted		
	Steel Exchange of India (39350 Shares @238.85/-)	9398747.5	0
	Nakoda Group of Industries Ltd(2498 Shares @214.1/-)	534821.8	0
		9,933,569	-
5.	**Loans**		
A	Loans repayable on demand	178,276,430	178,276,430
	Less: Impairment loss allowance	(14,261,751)	(14,261,751)
	Total (A)	164,014,679	164,014,679
B	**Out of above**		
	Secured	-	-
	Unsecured	178,276,430	178,276,430
	Less: Impairment loss allowance	(14,261,751)	(14,261,751)
		164,014,679	164,014,679
C	**Out of above**		
(i)	Loans in India		
	Public sector	-	-
	Less: Impairment loss allowance	-	-
		-	-
(ii)	Others	178,276,430	178,276,430
	Less: Impairment loss allowance	(14,261,751)	(14,261,751)
		164,014,679	164,014,679
(iii)	Total (i+ii)	164,014,679	164,014,679
(iv)	Loans outside India	-	-
	Less: Impairment loss allowance	-	-
		-	-
	Total C (iii+iv)	164,014,679	164,014,679
D	**Summary of loans by stage of distribution**		
	Standard assets	83,273,710	36,573,255
	Less: Impairment loss allowance	(208,184)	(91,433)
		83,065,526	36,481,822
	Sub-standard assets		141,703,175
	Less: Impairment loss allowance		(14,170,318)
		-	127,532,857
	Doubtful assets	-	-
	Less: Impairment loss allowance	-	-
		-	-
	Loss assets	-	-
	Less: Impairment loss allowance	-	-
		-	-
	Total	83,065,526	164,014,679

Panafic Industrials Limited
Notes to the financial statements
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(All amounts in Rs.)

	Particulars	As at **31 March 2022**	As at **31 March 2021**
6.	**Deferred tax assets**		
	Deferred tax relates to the following		
	Deferred tax assets		
	Difference between carrying costs of fixed assets as per Companies Act, 2013	-187,219	193,905
	Deffred Tax On Fair Value on Investment	1,632,494	-
	On impairment loss allowances on assets	-52,396	3,589,398
	On losses carried forward	-	979,488
		1,392,880	4,762,791
7.	**Property, plant and equipment**		
	Vehicles		
A	*Gross Block*		
	Opening balance	2,522,828	2,522,828
	Additions		
	Deductions/adjustments		
	Total as at 31 March 2020	2,522,828	2,522,828
B	Depreciation and amortisation		
	Opening balance	2,075,109	1,835,315
	Deductions/adjustments		
	For the year	156,157	239,794
	Total as at 31 March 2020	2,231,266	2,075,109
C	Net Block (A-B)	291,562	447,719
8.	**Other non financial assets**		
	Prepaid insurance	-	20,776.00
	Mat Credit	252,034	-
	Other advances	427,775	-
		679,809	20,776
9.	**Trade payables**		
	Payable 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	67,938	932,903
		67,938	932,903

Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors,

10.	**Borrowings**		
	At amortised cost		
	Term loan from banks (secured)	381,453	862,985
	Intercorporate borrowings (unsecured)	-	91,093,401
		381,453	91,956,386

Term loan from bank is secured against hypothecation of vehicle, repayable in 60 installments of Rs. 45,972/- starting from 10 March 2017. Interest rate is 8.80% p.a.

Intercorporate deposits are repayable on demand.

11.	**Other financial liabilities**		
	Salary, bonus and other employee payables	480,000	32,700
	Rent payable	240000	
		720,000	32,700
12.	**Other non-financial liabilities**		
	Statutory dues	-	-
		-	-

Panafic Industrials Limited
Notes to the financial statements
For the year ended 31 March 2022

(All amounts in Rs.)

	Particulars	As at 31 March 2022	As at 31 March 2021
13.	**Equity share capital**		
	Authorised		
	100,000,000 (Previous Year 100,000,000) shares of Re. 1 each	100,000,000	100,000,000
		100,000,000	100,000,000
	Issued subscribed and paid up		
	82,125,000 (Previous Year 82,125,000) shares of Re. 1 each	82,125,000	82,125,000
		82,125,000	82,125,000
A	**Reconciliation of the shares outstanding at the beginning and at the end of the year**		
		Nos	Amount (Rs.)
	As at 1 April 2019	82,125,000	82,125,000
	Add : Issued during the year	-	-
	Less: Bought back during the year	-	-
	As at 31 March 2020	82,125,000	82,125,000
	Add : Issued during the year	-	-
	Less: Bought back during the year	-	-
	As at 31 March 2021	82,125,000	82,125,000
B	**Terms/rights/restrictions attached to equity shares**		

The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

		31 March 2022	31 March 2021
C	**Details of shareholders holding more than 5% shares in the Company (Face value Re. 1 per share)**		
14.	**Other equity**		
A	**Retained earnings**		
	Balance at the beginning of the year	1	-
	Profit for the year	12,390,724	2,755,732
		12,390,725	2,755,732
	Appropriations		
	1934	(2,478,145)	-551,146
	Transfer to general reserve	(9,912,579)	(2,204,585)
		(12,390,724)	(2,755,731)
	Balance at the end of the year	1	1
B	**Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934**		
	Balance at the beginning of the year	2,859,038	2,307,892
	Transferred during the year	2,478,145	551,146
	Balance at the end of the year	5,337,183	2,859,038
C	**General reserve**		
	Balance at the beginning of the year	(1,238,706)	-3,443,291
	Transferred during the year	9,912,579	2,204,585
	Balance at the end of the year	8,673,874	(1,238,706)
D	**Other comprehensive income (net of tax)**		
	Change in Fair Value of Equity Instruments at FVOCI	324,537	
	Gain on sale of invesment	6,529,003	
	Income Tax on Above Item	(1,069,152)	
		5,784,388	-
	Total other equity (A+B+C)	**19,795,445**	**1,620,333**

Nature and purpose of other equity

Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

General reserve

Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law

Panafic Industrials Limited
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(All amounts in Rs.)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
15. **Interest income**		
On loans	74,25,040	49,81,326
	74,25,040	49,81,326
16. **Other income**		
Reversal of Provision	142,61,751	-
	142,61,751	-
17. **Finance cost**		
Interest on borrowings	50,468	84,922
Other borrowing costs	26,867	45,420
	77,335	1,30,342
18. **Impairment on financial instruments**		
Loans	2,08,184	9,67,243
	2,08,184	9,67,243
19. **Employee benefits expenses**		
Salaries and wages	10,87,110	5,15,000
Director Remuneration	4,80,000	-
Staff welfare	-	52,271
	15,67,110	5,67,271
20. **Other expenses**		
Printing and stationery	48,450	22,647
Accountancy charges	30,000	-
Advertisement	47,291	56,802
Audit fees *	-	17,700
AGM Expesnes	20,000	-
Bad Debts	27,48,188	-
Travelling and Conveyance	-	36,300
Car running and maintenance	2,07,900	5,29,925
Director Meeting Expenses	40,000	-
Listing fees	8,35,891	1,02,316
Fees and subscription	-	3,500
Festival expenses	-	25,680
Penalty of non-compliance	2,79,200	6,08,880
Insurance expenses	20,776	24,095
Income Tax Vivad-Se Vishwas	2,07,816	-
Legal and professional	23,863	33,228
Rent	2,40,000	-
Miscellaneous	20,121	-
Website Expenses	3,650	-
	47,73,145	14,61,073
* Audit fees includes (excluding goods and service tax):		
As auditors	17,700	17,700