

ANNUAL REPORT

1997-98

CERTIFIED TRUE COPY
FOR PAN PACKAGING INDUSTRIES LTD

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[Signature]

DIRECTOR



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PAN PACKAGING INDUSTRIES LTD.





PAN PACKAGING INDUSTRIES LTD.

Board of Directors	: Shri Bhimjibhai J. Shah	Chairman
	Shri Rasiklal B. Shah	Managing Director
	Shri Kantilal B. Shah	Jt. Managing Director
	Shri P. R. Lakhtaria	Director
	Shri Nimesh R. Shah	Director

Auditors : M/s. L. D. Joshi & Co.
Chartered Accountants,
Mumbai.

Bankers : Corporation Bank
Shivaji Park Branch
Mumbai.

Registered Office : 2, Shri Kutchi Lohana Niwas Gruh Trust Bldg.,
Shivadas Champsey Marg,
Mazgaon, Mumbai - 400 010.

Works	: 290/1, G.I.D.C	71, Govt. Ind. Est.,
	VAPI,	Khadoli,
	Dist. Valsad	Silvassa
	(Gujarat State)	(U. T.)



PAN PACKAGING INDUSTRIES LTD.

NOTICE :-

NOTICE is hereby given to the Shareholders of **PAN PACKAGING INDUSTRIES LIMITED**, that the Annual General Meeting of the Company will be held on Monday, the 28th day of September, 1998 at Geeta Adhyapan Mandir Hall, Shree Kutchhi Lohana Niwas Gruh, S.C. Marg, Mazgaon, Mumbai-400 010 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To approve and adopt audited Balance Sheet as on 31st March, 1998, and the Profit and Loss Account for the financial year ended on that day along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Pravinlal R. Lakhtaria who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :

"RESOLVED THAT, 'Shri Nimesh R. Shah, Who was appointed as an additional Director and who vacates his office at this meeting be and is here by appointed as a Director of the Company."

Regd. Office :
2, Shree Kutchi Lohana Niwas Gruh Trust Bldg.,
Shivdas Champsey Marg,
Mazgaon, Mumbai 400 010.
Date : 28th August, 1998.

For and on behalf the Board
B. J. SHAH
Chairman



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NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 10.09.98 To 28.09.98 (both days inclusive)
3. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

EXPLANATORY STATEMENT:

(Pursuant to Sec- 173 (2) of the Companies Act, 1956))

Item:4

On 22nd March, 1998 the Board of Directors has appointed Shri Nimesh R. Shah as an additional Director pursuant to Sec - 260 of the companies Act, 1956. Shri Nimesh Shah shall vacate this office at the ensuing Annual General Meeting. However, being eligible he has offered himself for appointment as a Director.

As required u/s 257 of the Companies Act, 1956, the Company has received in writing from some of the members a Cash deposit of Rs. 500/-

Except Shri Pravinchandra R. Lakhtaria, all other Directors are concerned or interested in the appointment of Shri Nimesh R. Shah as a Director of the Company

Regd. Office :
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For and on behalf the Board
B. J. SHAH
Chairman



PAN PACKAGING INDUSTRIES LTD.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of Accounts for the Year ended March 31, 1998.

FINANCIAL RESULTS	1997-98 Rs. (Lacs)	1996-97 Rs. (Lacs)
Net Sales/ Income from operation	119.30	73.10
Other Income	9.02	8.73
Gross Profit (after interest but before depreciation and taxation)	5.69	7.35
Depreciation	4.61	3.94
Provision for Taxation	-	-
Net Profit after Tax	1.08	3.41
Add : Balance brought forward		
from Previous year	6.50	3.02
Excess Dividend Provision Written Back	-	0.07
Profit Available for appropriation	7.58	6.50
APPROPRIATIONS		
Proposed Dividend	-	-
Balance carried to Balance Sheet	7.58	6.50

OPERATIONS

During the year under review, the company has started construction of the proposed project at Silvassa. Land has been acquired, construction of factory building is complete and commercial production has started. Financial assistance from Financial Institution for Vapi Kraft Paper Mill Project will be made available to us no sooner than the company completes the required paper work which is now in would be completed before the close of the current year 1998-99., barring unforeseen circumstances.

The Company has recorded its Sales to an encouraging level of Rs. 119.30 lacs as against the previous year's figure of Rs. 73.30 lacs. During the year under review, your company had to face severe shortage of fund. Coupled with such a crisis, there was cost escalation in Raw Materials & other fixed expenditure due to inflation. The combined effect of these factors resulted into a drop in the Net Profit. The Management is of the Opinion that once the paper Project commences production upto its full capacity. The adverse effect of price ~~has been nullified as the paper production of the new unit would be utilised by the~~ packaging unit.



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PUBLIC ISSUE

It is a matter of regret that many of the members have not yet paid their Allotment Money which is outstanding to tune of Rs. 155.92 lacs. This has hampered the progress of the company's new projects. Since Public Money is raised to provide fund for the new projects only, and the entire financial projections were based on timely receipt of the fund, your company could have achived the desired targets, had the members paid their dues. However, your Managemnt requests the members to consider this aspect and pay the allotment money at their earliest.

DIVIDEND

In order to conserve the resources of the Company for the on-going project, and to meet the project expenses, the Directors do not recommend any dividend on Equity Shares.

DIRECTORS

In accordance with Articles of Association of the Company Mr. Pravinchandra R. Lakhtaria Director of the Company, will retire by rotation and being eligible offers himself for re-appointed.

During the year, Mr. Nimesh R. Shah has been appointed as an additional director. According to the provisions, he will vacate his office at the proposed Annual General Meeting. Being eligible, he has offered himself for appointment as a director. The company has fulfilled the provisions of sec - 257 of the Companies Act 1956.

AUDITORS

M/s L. D. Joshi & Co., Chartered Accountants, are the present Auditors of the Company. They shall retire at the conclusion of the ensuing Annual General Meeting. Being eligible, they offer themselves for re-appointment.

FIXED DEPOSITS

The Company had not accepted / renewed any deposits from the public during the year under review within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

INSURANCE

Company's plants are adequately insured.



PAN PACKAGING INDUSTRIES LTD.

PARTICULAR OF EMPLOYEES

The information required U/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not given, as there is no employees, drawing salary more than the prescribed limit.

INDUSTRIAL RELATIONS

The Industrial relations at both the unit of the Company remained cordial.

LISTING ARRANGEMENTS

Equity Shares are being traded on the Stock Exchange at Membai & Ahemadabad. Annual Listing Fees up to 1998-99 have been paid to these Stock Exchanges.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given hereunder :

CONSERVATION OF ENERGY

The Company's operation involves low energy consumption Nevertheless energy conservation measures have already been taken wherever possible. Efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

TECHNOLOGY AND TECHNICAL ABSORPTION AND ADOPTION

1. TECHNOLOGY ABSORPTION

The Company's present manufacturing activities are such that the same do not require any specialised technology, since in India, technical know-how for Packaging Industries has been standardised and is being used in the industry. Besides, the Promoters of the Company are engaged in Packaging business since last 3 decades and the business is inherited. In view of the above, the question of technical absorption and adoption does not arise.



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2. RESEARCH AND DEVELOPMENT

At present the Company does not have separate division for carrying out Research work and Development. No expenditure has therefore been earmarked for this activity.

<u>FOREIGN EXCHANGE</u>	<u>1997-98</u>	<u>1996-97</u>
	Rs.	Rs.
Earning	Nil	Nil
Outgo (Foreign Travel Exps)	0.96	Nil

ACKNOWLEDGMENT

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from the financial institutions and banks, shareholders and customers during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company at all levels and for their dedication and loyalty.

Place: Mumbai
Date : 28th August, 1998

- For and on behalf the Board
B. J. SHAH
Chairman