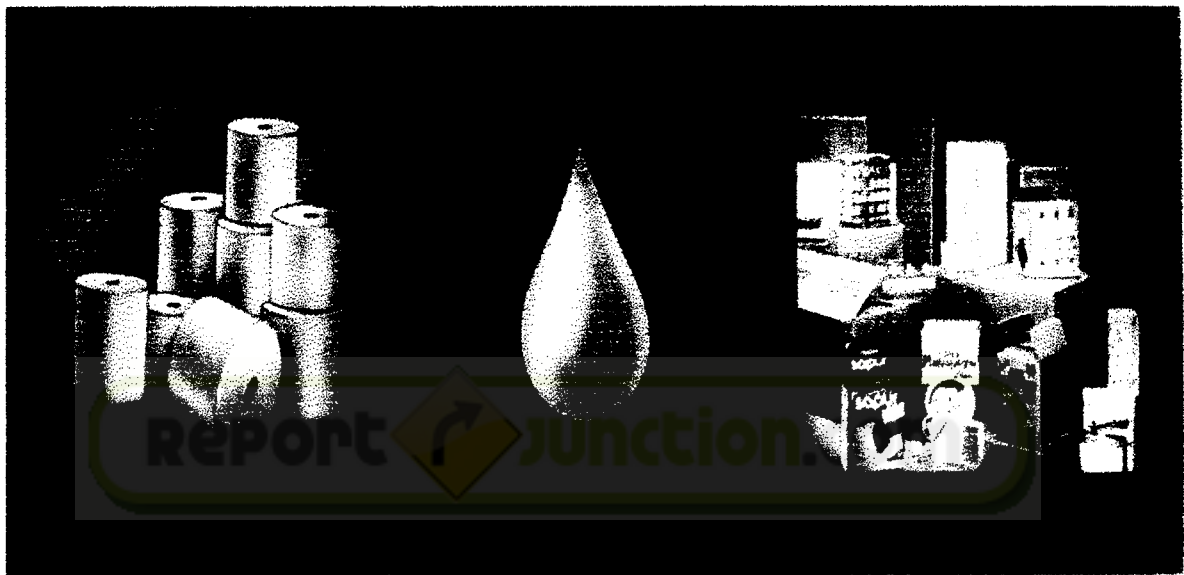


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PAN PACKAGING INDUSTRIES LTD

CERTIFIED TRUE COPY

FOR PAN PACKAGING INDUSTRIES LTD

Handwritten signature of the Director.

DIRECTOR


PAN PACKAGING INDUSTRIES LTD
2001-2002

Board of Directors	:	Shri Bhimjibhai J. Shah	Chairman
		Shri Rasiklal B. Shah	Managing Director
		Shri Kantilal B. Shah	Jt. Managing Director
		Shri Pravinchandra Lakhtaria	Director
		Shri Nimesh R. Shah	Director
		Shri Lalit D. Joshi	Nominee Director (G.S.F.C)
Auditors	:	M/s L.D.Joshi & Co. Chartered Accountants. 2-G,Court Chambers, 35, New Marine Lines, Mumbai – 400 020.	
Bankers	:	Corporation Bank Shivaji Park Branch, Barkha Cinema Building, Manmala Tank Road, Mahim, Mumbai – 400 016.	
Registered Office	:	“Rizvi Niketan” Shop No.4, Gopi Tank Road, Mahim (w), Mumbai – 400 016.	
Works	:	290/1, G.I.D.C. Vapi, Dist.- Bulsar, Gujarat State.	71, Govt. Ind. Estate Khadoli, Silvassa, U.T.



PAN PACKAGING INDUSTRIES LTD

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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 30th day of September, 2002 at Rizvi Niketan Compound, Gopi Tank Road, Mahim, Mumbai – 400 016 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To approve and adopt audited Balance Sheet as on 31st March, 2002, and the Profit and Loss Account for the financial year ended on that day alongwith the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kantilal B. Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Prvinchandra R. Lakhtaria who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

RESOLVED THAT, pursuant to the Provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, ((including any statutory modification (s) or re- enactment thereof), consent of the Company be and is hereby granted for the re – appointment of Shri Rasiklal B. Shah as the Managing Director of the Company for a period of 5 (FIVE) years with effect from 1st November, 2001 on the terms and conditions and upon the remuneration and perquisites as laid down into the Agreement to be executed by and between the Company and Shri Rasiklal B. Shah, the draft of which is placed before this meeting duly initialled by the Chairman for identification, with further liberty and authority to the Board of Directors (which term also includes a committee of Remuneration as and when constituted) to vary and / or revise remuneration and perquisites within the overall limits specified in Schedule XIII to the Companies Act, 1956 as in force from time to time, without further reference to the shareholders”.



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6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT, pursuant to the Provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, ((including any statutory modification (s) or re- enactment thereof), consent of the Company be and is hereby granted for the re - appointment of Shri Kantilal B. Shah as the Joint Managing Director of the Company for a period of 5 (FIVE) years with effect from 1st November, 2001 on the terms and conditions and upon the remuneration and perquisites as laid down into the Agreement to be executed by and between the Company and Shri Kantilal B. Shah, the draft of which is placed before this meeting duly initialled by the Chairman for identification, with further liberty and authority to the Board of Directors (which term also includes a committee of Remuneration as and when constituted) to vary and / or revise remuneration and perquisites within the overall limits specified in Schedule XIII to the Companies Act, 1956 as in force from time to time, without further reference to the shareholders”.

Regd. Office

“Rizvi Niketan, Shop No.4,
Gopi Tank Road, Mahim (w),
Mumbai – 400 016.

BY ORDER OF THE BOARD
(B. J. SHAH)
CHAIRMAN

Date : 29th June, 2002.

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 Share Transfer Books of the Company will remain closed from 27.09.2002 to 30.09.2002.(both days inclusive)
3. Shareholder 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.



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4. The Company has already dematerialised its equity shares w.e.f. 10th July, 2001 and accordingly entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd.(CDSL), The members are requested, in their own interest, to take the advantages of dematerialisation of their holding immediately, if not done so far.

EXPLANATORY STATEMENT

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

ITEM :5 & 6 :

The terms of appointment of Shri Rasiklal B. Shah and Shri Kantilal B. Shah as Managing Director and Jt. Managing Director got expired on 31st October, 2001 and the Resolutions as set out in the Notice need your approval for their re – appointments for a further period of FIVE years w.e. f. 1st November 2001.

Details of the terms and conditions of their re – appointments including the terms of remuneration & perquisites have been approved by the Board of Directors at its meeting held on 25th October, 2001. The draft of Agreements to be executed by and between the Managing Director and Jt. Managing Director and the Company are available for inspection by the shareholders at the Registered office of the Company on any working day between 11.30 a.m. to 3.30 p.m.

Except the Directors whose re – appointments are to be considered at the Annual General Meeting, and Shri Bhimji J. Shah, being a relative of these Directors, none other Directors are concerned or interested in these business.

This may please be treated as the abstract and Memorandum required to be circulated amongst the Shareholders under section 302 of the Companies Act, 1956.

Regd. Office

“Rizvi Niketan, Shop No.4,
Gopi Tank Road, Mahim (W),
Mumbai – 400 016.

Date : - 29th June , 2002

BY ORDER OF THE BOARD
(B. J. SHAH)
CHAIRMAN



PAN PACKAGING INDUSTRIES LTD

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REPORT OF THE DIRECTORS.

Dear Member,

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, 2002.

FINANCIAL RESULTS

	2001-2002 Rs(Lacs)	2000-2001 Rs(Lacs)
Net Sales / Income from operations	69.52	59.32
Other Income	3.84	1.81
Gross Profit (after Interest but before depreciation and taxation)	14.24	10.05
Depreciation	3.36	3.94
Provision for Taxation	—	—
Net Profit after Tax	10.88	6.11
Add : Balance brought forward from Previous year	20.87	14.76
Profit Available for appropriation	31.75	20.87
Balance carried to Balance Sheet	31.75	20.87

PERFORMANCE & PROGRESS

In spite of the stiff competition in the Packaging industries and of the extensive utilisation of Plastic moulded packing materials, your Company's turn – over has marked an increase of 73.9% over the turn – over figures of Rs. 46.74 Lacs of the Previous year. This is due to our capacity to fulfil the Orders in time and that too with superior quality. This has generated a Profit after Tax of Rs. 10.88 Lacs i.e. 78.1 % increase over the corresponding figures of Rs. 6.11 Lacs.

Our Paper Plant at Vapi is expected to commence production from January 2003 barring any adverse circumstances. Once this Plant is put into operation, the Paper production would be available to our Packaging Plant as captive consumption which, for obvious reasons, will cut down the raw material cost.

Once the Paper Plant starts serving the Packaging unit, the Company shall go ahead for a horizontal development i.e. by installation of Oil Project. Your Company has already acquired Land at Khadoli, Silvassa (U.T.) and construction of Plant Building is in progress. All the licences required from government – Central and State as also from local Self Government are already in hand. It is hoped a similar and continued co-operation from our esteemed Shareholders will be received in all times to come.



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FORFEITURE ACTION

To repeat our comments on the subject, It is a matter of regret that the Management was forced to forfeit on 20th July, 2001, 99800 shares held by defaulting members. Besides, the Management has also re-issued the shares in lieu of the forfeited shares at the rate of Rs. 15/= per share. This was a compelling fact for the outstanding call monies has considerably delayed the progress of the new projects. Public Money was 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 achieved the desired targets, had the members paid their dues in response to the Company's various notices / reminders.

DIVIDEND

In order to conserve the resources of the company for the on going project, and to meet the project expenses, the Directors have not recommended any dividend on Equity Shares.

DIRECTORS

In accordance with Articles of Association of the Company Mr. Rasiklal B. Shah & Mr. Kantilal B. Shah, Directors of the Company, will retire by rotation and being eligible, have offered themselves for re-appointment. Personal Details of the proposed re – appointment of these Directors are given in the Explanatory Statement.

During the current year Mr. Lalit D. Joshi of Ahmedabad has been appointed as Nominee Director of G.S.F.C.

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.



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PARTICULAR OF EMPLOYEES

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 employee, drawing salary more than the prescribed limit.

INDUSTRIAL RELATIONS

Industrial relations at the Vapi unit of the Company remained cordial.

DEMATERIALISATION OF SHARES :

Your Company has signed Agreements with National Securities Depository Ltd. And with Central Depository Services (India) Ltd. under the instructions from SEBI. The Company has already posted to the members intimation letters in this regard. Besides, we have also appointed Sharepro Services as R. & T. agents to handle the shares held by the members in electronic connectivity system. The ISIN No. allotted to the Company is INE 646D01016. In the interest of the members to get their shares dematerialised, you may please contact R. & T. Agents at Satam Estate, 3rd floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099. Tel. Nos. 821 5168, 834 8218, 821 5991 & 832 9828. Fax : 837 5646.

LISTING ARRANGEMENTS

Equity Shares are being traded on the Stock Exchange at Mumbai & Ahmedabad. Annual Listing Fees have been paid to these Stock Exchanges, up to the Financial Year 2002-2003.

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.



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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 2 and 1/2 decades and the business is inherited. In view of the above, the question of the technical absorption and adoption does not arise.

2. RESEARCH AND DEVELOPMENT

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

FOREIGN EXCHANGE

	2001- 2002	2000-2001
	Rs. (In Lacs)	Rs. (In Lacs)
Earning	Nil	Nil
Outgo	Nil	Nil

DIRECTORS RESPONSIBILITY STATEMENT :

The Directors state that –

- (1) In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- (11) 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, covered under this report and of the Profit of the Company for the year.
- (111) The Directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the Provision of this Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- (1V) The Directors had prepared the Annual Accounts on a ongoing concern basis.

CORPORATE GOVERNANCE :

Implementation of the clause 49 of the Listing Agreement is applicable since the Financial year ending 31st March, 2003. However, we report the following matters as General Information for the esteemed shareholders.