



ASIA PACK LIMITED

BOARD OF DIRECTORS

T. S. Bhandari - Chairman
R. V. Parikh - Managing Director
A. Bhandari - Whole Time Director

AUDITORS

Shah Patni & Co.
Chartered Accountants, Jaipur

BANKERS

Bank of India

REGISTERED OFFICE

H-34-39, RIICO Industrial Area,
Sukher, Udaipur - 313 001

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ASIA PACK LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of the members of the company will be held at its Registered office H-34-39, RIICO Industrial Area, Sukher, Udaipur on Saturday 17th August, 2002 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2002, Profit & Loss for the year ended 31st March, 2002 and the report of Directors & Auditors thereon.
2. To appoint Director in place of Mr. T. S. Bhandari, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

REGISTERED OFFICE :
H-34-39 RIICO INDUSTRIAL AREA,
SUKHER, UDAIPUR-313001.

For and on behalf of the Board

(R.V. PARIKH)
Managing Director

Dated : 29th June, 2002

NOTES

1. A member entitled to attend and vote at the meetings is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member. The proxy in order to be valid should be duly stamped. Completed signed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The registrar of members and Share Transfer Books of the Company will remain closed from Monday, the 12th August, 2002 to Saturday, the 17th August, 2002 (both day inclusive).
3. Members are requested to notify change, in their address, if any, immediately to the Company's Registrars and Share Transfer Agents.
4. Members desiring any information on Annual Accounts are requested to write the company at least 7 days before the meeting.

REGISTERED OFFICE :
H-34-39, RIICO INDUSTRIAL AREA,
SUKHER, UDAIPUR-313001.

For and on behalf of the Board

(R.V. PARIKH)
Managing Director

Dated : 29th June, 2002



ASIA PACK LIMITED

DIRECTOR'S REPORT

To,

The Members,

Directors of your company submit their 17th Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2002.

(Rs. in Lacs)

FINANCIAL RESULTS	2001-2002 (12 Months)	2000-2001 (8 Months)
Sales and other Income	1070.93	1092.06
Profit/Loss before interest, depreciation and taxation	(51.31)	39.18
Interest	165.90	142.39
Extra ordinary and Unusual items	12.04	27.10
Depreciation	36.67	24.44
Loss before Tax	265.92	154.74
Provision for Taxation	0.00	0.00
Loss after Tax	265.92	154.74
Prior Period adjustment	1.66	(0.56)
Loss brought forward from earlier year	825.26	671.08
Balance carried to Balance Sheet	1092.84	825.26

DIVIDEND

Your Directors are not recommending any dividend for the year due to inadequacy of profits.

OPERATIONS

The company achieved 61% of annual capacity utilization during the year (Prev. Year 78%). In view of continuing losses company has taken steps for revival of the unit. The steps taken include discontinuation of loss making activities, reduction in overheads and seeking relief/concessions from lenders to revive the unit.

During the year Company discontinued Woven Sack activity, which had been incurring losses during previous years and decided to close down its Woven Sack Unit at Sukher, w.e.f. Oct'2000. Company has submitted a rehabilitation proposal to Bank Of India seeking :

1. Disposal off surplus Land & Building at Sukher and Land at 11 KM mark Nai and repayment of Term Loan II out of proceeds.
2. Permission to implement weaving project at Nai with pending un-availed term loan of Rs. 150 Lacs.
3. Increase an installed capacity from 2160 MT to 3300 MT/Year by installation of balancing equipment at cost of Rs. 155 Lacs.

Bank has approved a rehabilitation package in Dec'2001. Company has further sought certain amendments in the sanction so that a full-fledged rehabilitation scheme could be implemented.

Operations in P.E. Tarpaulin activity were effected as company continued to operate under "holding on" operations limiting there by its capacity to procure raw material against seasonal orders and extend credit to customers.

PUBLIC DEPOSITS

The company has not accepted any deposits from public in terms of Section 58A of the Companies Act, 1956.

AUDITORS' REPORT

As regards the observation of the auditors in their report, the relevant notes on the accounts are self-explanatory.

REFERENCE TO THE BOARD OF BIFR

The company has filed the reference to the Board for Industrial and Financial Reconstruction (BIFR) under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

PERSONNEL

None of the employees was in receipt of emoluments aggregating to Rs. 100000/- or more per month if employed for the part of the year or Rs. 12,00,000/- or more per year, if employed for the full year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO :

In pursuance of section 217 (1) (e) of the Companies Act, 1956 read together with the companies (Disclosure of particulars in the report of Broad of Directors) Rules 1988, the relevant information is provided herein below : -

(I) CONSERVATION OF ENERGY

The company has taken adequate steps like using imported and superior raw materials for energy conservation.

- (b) The company has installed three D.G. Sets to cover the entire plant capacity thereby saving energy on frequent start-ups in Extrusion/Lamination Plant.
- (c) The Company is not covered for disclosure requirements in Form 'A' of Annexure of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

(II) TECHNOLOGY ABSORPTION

(A) RESEARCH & DEVELOPMENT

- (a) Regular research and development activities for improvement in quality of existing products and production process for better productivity are being carried out.
- (b) Development of new qualities of products is being continued.



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(B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The company is constantly taking steps to absorb better technology with a view to reduce the cost of production and improve the product quality. The Company had Technical Collaboration with a leading Korean Company M/S Jung Shin Co. Ltd. for providing Technical know How for PE Tarpaulin Project.

Due to technology adoption the company has been able to produce PE Tarpaulins to match international standards and earned substantial foreign exchange.

PRODUCT	TECHNOLOGY FROM	YEAR OF IMPORT	STATUS OF ABSORPTION
P.E. Tarpaulins	Jung Shin Co. Ltd., Seoul, Korea	1995	Fully absorbed

(III) TOTAL FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|------------------------------|---|-----------------|
| 1. Foreign Exchange Earnings | : | Rs. 1,76,86,689 |
| 2. Foreign Exchange Outgo | : | Rs. 2,92,03,309 |

LISTING :-

The company's equity shares are listed at the Stock Exchanges at Mumbai and Jaipur. Listing fee for current year has been paid to these Stock Exchanges.

DIRECTORS

Mr. T. S. Bhandari is due to retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956, your Directors confirm that :-

- The company has followed the applicable accounting standards in the preparation of the Annual Accounts and there had been no material departure except in so far as mentioned in note no. 10 of schedule N and note no 8 of Schedule O.
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the company for the aforesaid period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- The directors have prepared the Annual Accounts on a going concern basis.



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CORPORATE GOVERNANCE

The corporate Governance Guidelines issued by SEBI are not applicable to the company since the company has paid up capital below Rs. 5 Crores as on 31st March-2002.

AUDITORS

M/s. Shah Patni & Co., Chartered Accountants, Auditors of the Company retires at the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGMENT

The Directors acknowledge with gratitude the Co-operation extended by its Bankers, Bank of India, various financial institutions, Companies, the State and Central Government Departments.

The Directors also wish to place on record their appreciation to the team of Executives, Staff and Workers who have shown devotion and efficiency in performing their job.

For and behalf of the
ASIA PACK LIMITED

(R. V. PARIKH)
Managing Director.

Place : UDAIPUR
Date : 29th June, 2002





ASIA PACK LIMITED

AUDITOR'S REPORT

The Shareholders,

ASIA PACK LIMITED.

We have audited the attached Balance Sheet of ASIA PACK LIMITED as at 31st March, 2002 and the annexed Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the manufacturing and other companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that :
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of such books.
 - iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account as submitted to us.
 - iv. In our opinion and to the best of our information, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standard referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable, *except to the extent of non compliance with AS-2 for valuation of inventories in so far as inclusion of bank interest (on working capital and term loan) as an element of cost and further not restricting the value to its market realizable value and thus overstating the year end inventories as at the close of the year, and non compliance with AS - 11 for Accounting for the effects of changes in foreign exchange rates in respect of liability against Foreign Currency Term Loan from the bank which has not been restated at the year end exchange rate.*
 - v. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that, none of the directors are disqualified as on 31st March, 2002, in terms of Section 274 (1)(g) of the Companies Act 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to:-
 - a) *Non provisioning against doubtful advances outstanding since earlier years namely advances for capital goods Rs. 40.25 lacs. (Prev. Year Rs. 31.25 Lacs) ; advance to suppliers and others Rs. 80.18 (Prev. Year Rs. 79.61 Lacs) ; Debts amounting to Rs. 45.66 Lacs (Prev. Year Rs 45.22 Lacs) and loans amounting to Rs. 1.64 Lacs (Previous year Rs. 1.64 Lacs) . The same consequently resulting into understatement of losses to such extent of Rs. 167.73 Lacs (Prev. Year Rs. 157.72 Lacs) .*
 - b) *Continuing to include interest on term loan and on working capital as an element of cost of inventories and consequently overstating the year end inventories by Rs. 34.40 Lacs (Previous Year Rs. 18.78 Lacs) and further not restricting the valuation of inventory to net realizable value as recommended by AS-2 but valuing the inventory at cost and consequently overstating the year end inventories by Rs. 23.90 Lacs with corresponding impact on the losses for the year. (refer to Para 2(iv) above)*
 - c) *Non provision of loss of Rs.37.60 Lacs (Previous year Rs. 16.00 Lacs) on account of reconversion of year end liability of Foreign Currency Term Loan from Bank in accordance with AS 11 (refer to Para 2(iv) above) and accordingly understating the loss to such extent.*
 - d) *Non Provision for diminution in the value of investment on the pretext of the same being temporary in nature. However since the diminution seems to be permanent and position unchanged since last 4 years. Provisioning being necessary and not done , the same resulting into under statement of losses to the extent of Rs. 397177.*



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- e) The Company being in the process of relocating its closed weaving unit along with its tarpaulin activity which is at a different location, had dismantled and shifted the said weaving units plant and machinery to the new location during the preceding year but the same is pending reinstallation and recommissioning. No depreciation has been provided on such block of Plant & Machinery amounting to Rs 4.68 Lacs (Previous Year Rs. 3.12 Lacs) and accordingly understating the loss to such extent.

Read together with other notes to schedule annexed give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view,

- 1) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2002 and
- 2) In the case of the Profit and Loss Account of the loss for the year ended on that date.

For SHAH PATNI & CO.,
Chartered Accountants.

(PRAMOD PATNI)
Partner

PLACE : CAMP UDAIPUR
DATE : 29th June, 2002

ANNEXURE TO AURTIORS' REPORT

As required by the Manufacturing and other companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, on the basis of such checks of books and records of the Company as we considered appropriate and as per information and explanations given to us, we further report that :

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The same needs certain updation which is in progress. We have been informed that most of the major fixed assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.
- ii) None of the fixed assets have been revalued during the year.
- iii) As per information and explanations given, the stocks of finished goods, stores, spare parts and raw materials lying at different divisions has been physically verified by the management at reasonable intervals and as at the close of the year with the assistance of an outside agency except for finished goods lying with Job workers and with third parties from whom necessary confirmations obtained.
- iv) According to the information and explanations given to us, the procedure for physical verification of the stocks followed by the company are reasonable and adequate considering the size of the operations and nature of business activity except in case of stocks of work in process for which no records are maintained at the shop floor because of practical problems but has been physically verified by the management to the extent possible and practical as at the close of the year and hence considered accordingly in the year end inventory on estimate basis based upon the corresponding inventory tally.
- v) Discrepancies between the book records and physical stocks noticed upon periodical verification, to the extent normal and justified considering the size and nature of activity is adjusted in valuation of year end inventory.
- vi) In our opinion and on the basis of examination of stock records, valuation of year end inventories is not in compliance with the mandatory accounting standard for valuation of inventories (AS-2) to the extent reported at Para 2.(vi).b. above.
- vii) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 where the rate of interest and other terms and conditions are prima facie prejudicial to the interest of the company.
- viii) The Company has not given loans and advances in the nature of loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.