



# ASIA PACK

L I M I T E D

**20<sup>th</sup> ANNUAL REPORT**  
**2004-2005**



## ASIA PACK LIMITED

### **BOARD OF DIRECTORS**

Arvind Bhandari - Whole Time Director  
Lalit Seth - Director  
Prem Lata Bhandari - Director

### **AUDITORS**

Shah Patni & Co.  
Chartered Accountants, Jaipur

### **REGISTERS & SHARE TRANSFER AGENTS**

Ankit Consultancy Pvt. Ltd.  
2nd Floor, Alankar Point,  
Gita Bhawan Chauraha,  
A.B. Road, Indore (M.P.)

### **REGISTERED OFFICE**

401, Akruti Complex,  
4-A, New Fatehpura  
Near Shahelion ki Bari,  
Udaipur (Raj.)



## ASIA PACK LIMITED

### NOTICE

Notice is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the Members of the Company will be held at its Registered office at 401, AKRUTI COMPLEX, 4-A, NEW FATEHPURA, NEAR SHAHELION KI BARI, UDAIPUR (RAJASTHAN) on Saturday, 17<sup>th</sup> September, 2005 at 11.00 A.M. to transact the following business:-

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 30<sup>th</sup> June-2005, Profit & Loss account for the period ended as at the same date and the report of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Arvind Bhandari, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors

PLACE : UDAIPUR  
DATE : 6th August, 2005

LALIT SETH  
Director

REGISTERED OFFICE:  
401, AKRUTI COMPLEX,  
4-A, NEW FATEHPURA,  
NEAR SHAHELION KI BARI,  
UDAIPUR (RAJASTHAN)

#### NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND AND ON A POLL, TO 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 Register of Members and Share Transfer Books of the Company will remain closed from Saturday 10<sup>th</sup> September, 2005 to Saturday, 17<sup>th</sup> September 2005 (both days inclusive).
3. Members are requested to notify any change, in their address, if any, immediately to the Company's Registrar and Share Transfer Agent., M/s. Ankit Consultancy Pvt. Ltd., 2<sup>nd</sup> Floor, Alankar Point, Gita Bhawan Chouraha, A.B. Road, Indore (M.P.)
4. Members desirous of obtaining any information on Annual Accounts are requested to write to the company at least 7 days before the meeting.

REGISTERED OFFICE:  
401, AKRUTI COMPLEX, 4-A, NEW FATEHPURA,  
NEAR SHAHELION KI BARI,  
UDAIPUR (RAJASTHAN)

By order of the Board Of Director,

PLACE : UDAIPUR  
DATE : 6th August, 2005

(LALIT SETH)  
Director



# ASIA PACK LIMITED

## DIRECTOR'S REPORT

To

The Members,

The Directors hereby present their 20<sup>th</sup> Annual Report together with the Audited Accounts of the company for the period ended 30<sup>th</sup> June 2005.

(Rs. In Lacs)

FINANCIAL RESULTS	2004-2005 (15 Months)	2003-2004 (9 Months)
Sales and other Income	36.17	9.15
Profit/(Loss) before interest, depreciation and taxation	15.55	(38.85)
Interest	0.38	0.56
Extra Ordinary and Unusual items	(42.12)	0.00
Depreciation	39.17	26.85
Prior Period adjustment	7.32	1.80
Profit / (Loss) before Tax	10.80	(66.26)
Provision for Taxation	0.00	0.00
Profit/(Loss) after Tax	10.80	(66.26)
Loss brought forward from earlier year	(1549.86)	(1481.80)
Balance carried to Balance Sheet	(1539.06)	(1549.86)

### DIVIDEND

In view of the loss for the period under review, your Directors regret their inability to recommend any Dividend.

### CHANGE IN THE ACCOUNTING YEAR

The Previous Accounting Year of the Company ended on 31<sup>st</sup> March 2004 . The Board of Directors of the Company have extended the Accounting year so as to Commence from 1st day of April 2004 and ending on 30<sup>th</sup> June 2005 to give full effect of Compromise (OTS) settlement with the Bank of India. Accordingly, the Current Accounting period is for 15 months commencing from the 1<sup>st</sup> day of April, 2004 and ending on 30<sup>th</sup> day of June, 2005.

### OPERATIONS

- The Company had been incurring losses since 1997-98, and was consequently declared a "sick unit" u/s 3(1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985(SICA Act), on 6<sup>th</sup> August, 2002.
- While continuing its efforts to seek early rehabilitation and/or amicable settlement with the bankers, the Company succeeded in finalizing another Compromise (OTS) arrangement with Bank of India, which has been accepted by Board of directors of the company on 3-4-2005, involving further reduction in liabilities on account of waiver of substantial portion of its loan liabilities payable to bank. Upon finalization of the said OTS the company has given effect of the consequent reduction in liabilities in its books of account on 7-4-2005.



## ASIA PACK LIMITED

- c) The Company arranged and deposited the requisite amount of Rs.350.31 lacs under OTS and obtained no dues certificate from Bank of India on 20<sup>th</sup> May, 2005 for release /discharge of all the charges/encumbrances over the assets of the Company and its guarantors Mr. T.S. Bhandari, Mr. Arvind Bhandari, Mr. R.V. Parikh and Mr. C.P. Talesara.
- d) Under the OTS Package, the Bank of India waived principal amount (Rs. 1085.32 Lacs) and dues of interest payable by the company (Rs. 166.00 Lacs) with One Time Settlement (OTS) amount of Rs. 350.31 Lacs, which the company deposited on 20<sup>th</sup> May, 2005 in full and final settlement of all its dues towards the Bank. Consequent upon the same, all charges and encumbrances over the assets of the company has been released by Bank of India along with discharging the guarantors from their personal liabilities.
- e) Consequent to waiver of loans payable to Bank of India, company's net worth became positive and the company applied on 10<sup>th</sup> April-2005 to Board for Industrial and Financial Reconstruction (BIFR) for de-registering itself from BIFR under the SICA Act. BIFR discharged the company from pervue of Sick Industrial Companies (Special Provisions) Act 1985, vide its order dated 22<sup>nd</sup> June, 2005.
- f) The promoters of the company also contributed Rs. 63.50 Lacs to repay the bank dues under OTS and in discharge of their personal guarantees to Bank of India on behalf of the company. The Company having discontinued its industrial operations and having no resources to repay back such capital contributions/receipts, the contributing promoters have waived their right of recoveries against such contributions.
- g) In accordance with Article 28 of the Articles of Association of the Company, 3,70,900 Equity Shares of the Company were forfeited during the year on account of non-payment of the calls in arrears.

### 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.

### PERSONNEL

None of the employees was in receipt of emoluments aggregating to Rs. 2,00,000/- or more per month, if employed for the part of the year or Rs. 24,00,000/- 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 Board of Directors) Rules 1988, the relevant information is provided herein below, it may however be noted that company did not carry out any manufacturing activity in the



## ASIA PACK LIMITED

relevant year and has since disposed off its industrial undertaking : -

### (I) CONSERVATION OF ENERGY

- (a) The company had taken adequate steps like using imported and superior raw materials for energy conservation in earlier years.
- (b) The company had installed three D.G. Sets to cover the entire plant capacity thereby saving energy on frequent start-ups in Extrusion/Lamination Plant though in effect no production undertaken during the period in view of peculiar circumstances stated above.
- (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 carried out in earlier years.
- (b) Development of new qualities of products undertaken in earlier years but no activity effectively carried out in this respect during the period in view peculiar circumstances stated above.

#### (B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Technology imported and absorbed in earlier years.

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. 34,99,090/- (Consultancy Fees)
2. Foreign Exchange Outgo : Nil

### LISTING

The Company's equity shares were listed at the Mumbai and Jaipur Stock Exchange. However, in view of disruption in its activities for the reasons stated above, the Company failed to comply with some of the listing requirements of the Mumbai Stock Exchange. The Management is of the opinion that they will fulfill the aforesaid requirements in the next few months.



## ASIA PACK LIMITED

### DIRECTORS

Mrs. Premlata Bhandari was appointed as a Director to fill the casual vacancy caused by the resignation of Mr. R.V.Parikh, the Managing Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company. Mr. Arvind Bhandari shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board of Directors recommend his re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA), of the Companies (Amendment) Act, 2000 in the Companies Act, 1956, your Directors confirm that:-

- a) The company has followed the applicable accounting standards in the preparation of the Annual Accounts and there has been no material departure except in so far as mentioned in note no. 2 of schedule N.
- b) The Directors have 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 Loss of the Company for the period ended 30<sup>th</sup> June, 2005;
- c) 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.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

### CORPORATE GOVERNANCE

The Corporate Governance Guidelines issued by SEBI are not applicable to the Company since the company has a paid up capital below Rs. 3 Crores as on 30<sup>th</sup> June, 2005.

### AUDITORS

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

For and behalf of the Board

Arvind Bhandari  
Director

Lalit Seth  
Director

Place : UDAIPUR

Date : 6<sup>th</sup> August, 2005



# ASIA PACK LIMITED

## AUDITOR'S REPORT

The Shareholders,  
ASIA PACK LIMITED.

We have audited the attached Balance Sheet of ASIA PACK LIMITED as at 30th June, 2005 and the annexed Profit & Loss Account and Cash Flow Statement of the Company for the 15 months period 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.

1. 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.
2. As required by the Companies (Auditor's Report) Order 2003 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 hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. 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-13 for Accounting for investments in terms of non provisioning of permanent diminution in the value of investments which as per managements explanations has not been possible due to lack of information from the investee companies and for which reasons, quantifications has not been possible.***
  - (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 30th June, 2005 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) *Capital work in Progress representing advances to machinery suppliers in earlier years but machines not delivered (Rs. 40.25 Lacs), cost incurred on acquisition of certain machinery, which has been lying uninstalled and uncommissioned since past many years (Rs.62.91 Lacs) and pre operative project expenses with interest on borrowings (Rs. 62.37 Lacs), all totaling to Rs. 165.53 Lacs. Provisioning against the same for possible diminution in value has not been made by the management having since lost its sanctity in view of the company abandoning the implementation of the said expansion.*
    - (b) *Consequent to the following developments, the company has discontinued its operations and liquidated its fixed and current assets to settle its liabilities:*
      - a. *Erosion of Net Worth in earlier years consequent upon continues losses since 1997-98.*
      - b. *Registration as a sick company under SICA Act with BIFR in earlier years.*
      - c. *Bankers freezing all credit limits in earlier years consequentially, company suspending its manufacturing activities in May, 2003, relieving/ retrenching all work force and disposing / liquidating all current assets there after.*
      - d. *Company accepting Banks OTS proposal and to repay its bank dues, disposing off its fixed assets and finally succeeding in settling all its dues under the OTS package.*
      - e. *Practically no activity relating to its core business undertaken during the financial period except those relating to realization against assets and recovery of debts and settlement of loan and other liabilities and except executing one consultancy assignment.*

In view of all the aforesaid, the company's net worth becoming positive consequent to waiver of a part of dues and settlement of all remaining dues payable to Bank of India. The Company has lost its ability to continue as industrial undertaking and there being no immediate future plans, the company should have made necessary adjustments in the value of capital WIP to restate the same at its recoverable amounts.

In our opinion and subject to the omission of the information dealt with in the preceding paragraphs and presentation of financial statements, the financial statements give a true and fair view of the financial position of the Company.

*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 30th June, 2005 and*
- 2) *In the case of the Profit and Loss Account of the Loss for the 15 months period ended on that date and*





## ASIA PACK LIMITED

3) In the case of the cash flow statement, of the cash flows for the 15 months period ended on that date.

For SHAH PATNI & CO.,  
Chartered Accountants.

(PRAMOD PATNI)  
Partner

PLACE: CAMP UDAIPUR  
DATE: 6th Aug, 2005

### ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 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:

**1. In respect of its fixed assets:**

a. The Company has maintained proper records in digital mode showing full particulars including quantitative details and situation of fixed assets. The same needs certain updation, with respect to sale and disposal of assets, which is in progress.

b. We have been informed that most of the major fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

c. The Company has effected sale of all its fixed assets consequent to its abandoning its industrial activity and for raising resources to repay its bankers under the OTS package. As per explanations furnished by the management, the company shall hereafter focus on trading operations and consultancy services and in view of the said developments assumption of going concern can be considered in case of the company. The company in fact undertaking consultancy services towards the end of the accounting period.

**2. In respect of its inventories:**

a. As explained to us, inventories to the extent available were physically verified by the management at periodic intervals during the year. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate since the company had no major activity during the year.

b. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records. There were however, erosion in value of inventories since the company had initially suspended and taken abandoned manufacturing operations. Loss on account of such erosion has been written off as extra ordinary item in the Profit & Loss Account for the period.

**3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties:**

a. The Company has not granted or taken any loans to /from parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year.

b. The company had only one Loan outstanding in a trade party since earlier years amounting to Rs.1.64 Lacs, and provision against which had been made in earlier years. The company has actually written off the said outstanding against such provision during the period.

c. The company had interest free advances from three such parties listed in the register maintained under section 301 of the Companies act, 1956 totaling in all to Rs. 63.50 lacs during the year for the purposes of repaying company's bank liabilities under an OTS package. The same also termed as compensation for discharging guarantors obligations of such parties and since the company not having resources to repay the same, recoveries or repayments of the same has been waived by the said contributors who are the promoters of the company.

In addition to the aforesaid, the company took interest free advance from five other parties totaling in all to Rs. 90 Lacs, of which Rs. 32.43 Lacs has been repaid to two parties and balance of Rs. 57.57 Lacs remaining due and payable in case of three such parties.

In our opinion and according to the information and explanations given to us, the aforesaid and other terms and conditions as applicable in the given facts and circumstances are not prima facie prejudicial to the interest of the Company.

d) Under the OTS Package, the Bank of India waived the principal amount (Rs. 1085.32 Lacs) and dues of interest payable by the company (Rs. 166.00 Lacs) with One Time Settlement (OTS) amount of Rs. 350.31 Lacs, which the company deposited on 20<sup>th</sup> May-2005 in full and final settlement of all its dues