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ANNUAL REPORT



THE OTC EXCHANGE
No.
RESEARCH & STATISTICS
PUBLICATION DEPT.

PAN PACKAGING INDUSTRIES LTD.

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1999-2000

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PAN PACKING INDUSTRIES LTD.

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
Auditors	:	M/s. L. D. Joshi & Co.	
		Chartered Accountants,	
		Mumbai - 400 020.	
Bankers	:	Corporation Bank	
		Shivaji Park Branch	
		Mumbai -400016.	
Registered Office	:	"Parth", Bldg, Flat no. 8,	
		1 St Floor,Ganesh Peth Lane,	
		Dadar (W),	
		Mumbai - 400 028.	
Works	:	290/1, G.I.D.C	71,Govt.Ind.Est
		Vapi, Dist Bulsar,	Khadoli,Silvassa
		Gujarat State.	U.T.

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PAN PACKING 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 Saturday, the 30th day of September, 2000 at Geeta Adhyapan Mandir Hall, Shree Cutchhi Lohana Niwas Gruh, S.C. Marg, Mazgoan, 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, 2000, 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. Pravinchandra 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.

Regd Office :
"Parth", Bldg, Flat no. 8,
1 St Floor,Ganesh Peth Lane,
Dadar (W),
Mumbai - 400 028.
Place : Mumbai
Date :30 August,2000

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

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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 COMP--ANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 21.09.2000 to 30.09.2000 (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.

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DIRECTORS' REPORT

Dear Members,
Your Directors have pleasure in presenting the Anual Report of the Company together with the Audited Statement of Acconuts for the Year ended March 31,2000.

FINANCIAL RESULT	1999-2000 Rs (Lacs)	1998-99 Rs (Lacs)
Net Sales/ Income from operation	81.35	101.03
Other Income	2.31	1.45
Gross Profit (after interest but before depreciation and taxation	11.32	6.89
Depreciation	3.63	5.29
Provision for Taxation	-	-
Net Profit after Tax	7.69	1.60
Add : Balance brought forward from Previous year	9.18	7.58
Prior Year Adjustment	(2.11)	-
Profit Available for appropriation	14.76	9.18
Balance carried to Balance Sheet	14.76	9.18

OPERATIONS

Your Company's new unit for manufacturing Kraft Paper is now projected to commence at the Vapi premises.Nearly 95% of the construction is complete and the balance 05% work is expected in a near future.The Financial Institution viz The Gujarat State Finance Corporation is fully satisfied with the progress of this project and released Term loan of Rs. 209.00 lacs. If this trend of the progress is maintained, your management expects to commence trial production by the end of December,2000.

The performance of the company has been adversely affected bringing down the turnover from Rs 101.03 lacs to Rs.81.35 lacs. Since the reason for this effect is attributed to the shifting of the box manufacturing unit, your management has not been frustrated for obvious reason. Besides, the slackness in the entire economy and the financial crisis faced during the year under review have also played a major role to slow down the demand for Corrugated Boxes.Inspite of all these,your management would keep on its efforts to see that the company records during the current year a remarkable uptreat in its overall performance.

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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.135.70. 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 achieved the desired targets,had the members paid their dues.However,your Management again 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. Kantilal B. Shah & Mr.Pravinchandra R. Lakhtaria Directors of the Company, will retire by rotation and being eligible offers themselves for re- appointment.

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.

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 employee, drawing salary more than the prescribed limit.

INDUSTRIAL RELATIONS

The industrial relations at the Vapi unit of the Company remained cordial.

DISCLOSER ONY2K COMPLIANCE :

During the year under review,the Company has not faced and does not foresee any problem in any of the operational activities in regard to Y2K.

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LISTING ARRANGEMENTS

Equity Shares are being Traded on the Stock Exchanges at Mumbai & Ahemadabad. Annual Listing Fees up to 2000-2001 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 foriegn 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 2 decades and the business is inherited. In view of the above, the question of technical absorption and adoptation does not arise.

2. RESEARCH AND DEVELOPMENT

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

FOREIGN EXCHANGE	1999-2000 Rs(In Lacs)	1998-99 Rs(In Lacs)
Earning	Nil	Nil
Outgo	Nil	Nil

ACKNOWLEDGEMENT

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 for their dedication and loyalty.

For and on bahalf the Board
B.J.SHAH
Chairaman

Place: Mumbai
Date : 30th August,2000

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PAN PACKING INDUSTRIES LTD.

AUDITORS REPORT

We have audited the attached Balance Sheet of PAN PACKAGING INDUSTRIES LTD. as on 31st March,2000 and also the relevant Profit & Loss Account of the Company for the year ended on that date report that:-

1) No provision has been made for gratuity payable and the same shall be accounted on cash basis in the year of payment as per the policy consistently followed by the company.

2) The Company has not carried out any manufacturing or trading activities at its Vapi Plant of corrugated Boxes. Hence no depreciation is provided on Plant & Machinery, Laboratory Equip ment, Thermo Pack Boiler of Vapi unit. If depreciation would have been charged,Net profit would have been less by Rs.1,06,694 & Revaluation reserve would have been less by Rs.3,43,618.

Subject to our above remarks we report that:-

As required by the Manufacturing And Other Companies (Auditor's Report) Order,1988 issued by the Company Law Board in terms of Sec.227(4A) of the Companies Act 1956, we annex hereto a statment on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexture referred to above we report that:-

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books.

iii) The Balance sheet & Profit & Loss Account dealt with by this report are in agreement with the books of accounts.

iv) In our opinion the Profit & Loss Account and the Balance Sheet comply with the accounting stan dards referred to in sub section (3C) of section 211 of the Companies act, 1956 except the treat ment of leave encashment salary which is accounted on cash basis and for which the amount has not been determined by the company.

v) In our opinion and to the best of our information and according to the explanation given to us, the accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view:-

(a) In case of Balance Sheet of the state of affairs of the company as at 31st March 2000 and

(b) In the case of Profit & Loss Account of the profit for the year ended on that date.

FOR M/S.L.D. JOSHI & COMPANY.
CHATERED ACCOUNTANTS
K.L.JOSHI
(PARTNER)

Place: Mumbai
Date : 30th August, 2000

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