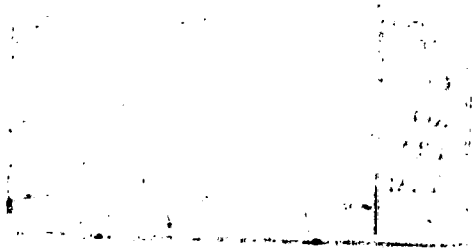


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YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>



ASIA PACK LIMITED

12TH ANNUAL REPORT
1996-97



**ASIA PACK LIMITED****BOARD OF DIRECTORS**

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

AUDITORS

Shah Patni & Co.,
Chartered Accountants, Jaipur

**REGISTRARS & SHARE
TRANSFER AGENTS**

Ankit Consultancy Pvt. Ltd.
Raghu Prakash Complex
C- 30, Lajpat Marg,
Bhagwan Das Road,
C- Scheme,
Jaipur -302 001

BANKERS

Bank of India

REGISTERED OFFICE

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



ASIA PACK LIMITED

NOTICE FOR ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth 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 Monday 30th March, 1998 at 3:00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the Director Report, Auditor Report and Audited Balance Sheet as at 31st July, 1997 and profit & loss Account for the year ended on that date.
2. To declare dividend, subject to approval of financial Institution.
3. To appoint Director in place of Mr. D.A.Panchal, who retires by rotation and being eligible, offers himself for reappointment.
4. 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.

SPECIAL BUSINESS

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

"RESOLVED that the consent of the company be and is hereby accorded in terms of section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to mortgage and/or charges all the immovable and movable properties of the Company wheresoever situated, present and future, and whole of the undertaking of the company with power to take over the management of the business and concern of the company in certain events, to or in favour of the trustees for the holders of the non convertible debentures to secure an amount not exceeding Rs. 175 lacs of non convertible debentures of Rs. 5 lacs each, carrying interest at the rate of 18.5 % per annum, offered by the Company to Bank of India on private placement basis and on such terms and conditions as may be determined by the Board of Directors of the company, together with all interest, liquidated damages, costs, charge, expenses and all other moneys payable by the company in respect of such non convertible debentures."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.

REGISTERED OFFICE
H-34-39, RIICO INDUSTRIAL AREA,
SUKHER,
UDAIPUR - 313001.
Dated: 23rd November, 1997

By order of the Board

(ARVIND BHANDARI)
Whole Time Director.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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.



ASIA PACK LIMITED

2. The Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The register of members and Share Transfer Books of the Company will remain closed from Thursday the 26th March '1998 to Monday the 30th March '1998 (both day inclusive)
4. The dividend that may be declared by the company in Annual General Meeting shall be paid to those Members whose names appear on the Company's Register of Members as on Monday the 30th March '98 subject however to the provisions of section 206A of the Companies Act, 1956.
5. Members are requested to provide Permanent Account Number (PAN), if any allotted to them and the Income Tax Ward/Range/District i.e. Assessment officer where their Income is assessed /assessable.
6. Member are requested to notify change, in their address, if any, immediately to the Company Registrar and Share Transfer Agents.
7. Members desiring any information on Annual Accounts are requested to write the Company at least 7 days before the meeting.

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.

Item No.5

The Company has issued 18.5% Non Convertible Debenture of Rs. 175 lacs on private placement basis to Bank Of India to meet out long term working capital requirements. The said Non-convertible Debentures are to be secured by way of pari-passu charge on all the fixed assets of the Company, both present & future and shall rank pari-passu with the charges created/to be created in favour of Bank of India.

In terms of the provision of section 293(I)(a) of the companies Act, 1956, the company cannot create any charge without the approval of shareholders in the General Meeting and therefore your Board commend the above resolution for your approval.

None of the directors is interested or concerned in the said resolution.

REGISTERD OFFICE
H-34-39, RIICO INDUSTRIAL AREA,
SUKHER,
UDAIPUR - 313001.
Dated: 23rd November, 1997

By order of the Board

(ARVIND BHANDARI)
Whole Time Director.



ASIA PACK LIMITED

DIRECTORS' REPORT

To

The Members,

Directors of your company have pleasure in submitting their 12th Annual Report together with the Audited Accounts of the company for the period ended 31st July 1997.

(Rs. in Lacs)

FINANCIAL RESULTS	1996-97	1995-96
Sales and other income	1651.49	2116.46
Profit before Interest, Depreciation & Taxation	192.06	249.90
Profit before Depreciation & Taxation	49.43	180.10
Depreciation	43.57	34.59
Profit before Tax	5.86	145.51
Provision for Taxation	0.00	0.00
Profit After Tax	5.86	145.51
Prior Period Adjustment	5.60	5.16
Profit brought forward from earlier year	186.97	73.32
Proposed Dividend	13.65	26.70
Provision for Corporate Dividend Tax	4.03	0.00
Balance carried to Balance Sheet	169.56	186.97

The result for the year pertains to a period of 12 months against previous year's figure for 16 months. The turnover has increased by 4% on annualised basis. However profitability has been adversely affected due to following reasons.

- (A) Low capacity utilisation in P.E.Tarpaulin unit due to considerable time taken to stabilise production and marketing of these new products in domestic and international markets.
Company has been able to substantially improve production and export sales of PE Tarpaulins in first 4 months of the current year. Production and sales have improved by 145% and 230% respectively during current year with a clear trend in improvement of production and sales.
Company has also established All India wide dealer-distributor network for marketing Tarpaulins under brand "KORTARP" launched during 1996 and "EMPIRE" during 1997. With a strong dealer distributor network, comprising of 18 distributors and about 100 dealers all over India, Company expects to substantially improve its performance during next season.
- (B) Increase in interest burden from Rs. 69.79 lacs for 16 months in 1995-96 to Rs. 142.62 lacs for 12 months. The increase is mainly due to increase in term loan for PE Tarpaulin project.
- (C) Being a seasonal product the working capital requirements are considerably higher than envisaged earlier. Company has approached its bankers for enhancing its long term and short term working capital facilities. Company has placed Non-convertible Debentures amounting to Rs. 175 lacs with Bank of India during August '97. Company is also persuing its bankers to enhance the working capital limits to sustain higher production and sales levels.
- (D) General slackness in Indian economy affected sales and realisation of PP/HDPE woven sacks activity (where major market share is in Cement Industry) in particular and other products in general.

DIVIDEND

Your Directors are pleased to recommend a dividend of 5% for the year 31st July 1997, subject to approval of Shareholders and financial Institution after providing for Rs. 2.70 lacs towards corporate dividend tax.

Owing to non-availability of requisite approval from the Bank dividend for the period 1995-96 could not be paid. However, Company has again requested Bankers to consider its request to pay dividend for this period.

PROJECT IMPLEMENTATION

Company has already commissioned & commenced production of PE Tarpaulin & lamination division. Implementation of weaving unit had also been taken up by establishing letter of credits/orders for all the key equipments in September, 1996. A part of imported machinery has also been received.

The key equipments were proposed to be imported from Korea. However, turmoil in Korean economy coupled with spate of sickness in PE Tarpaulin industry in Korea, compelled us to review the project implementation schedule. Company has restructured the balance project implementation and approached its bankers for necessary approval.



ASIA PACK LIMITED

EXPORTS

Manufacturing Exports of P.E.Tarpaulin and P.P.Woven Sacks will continue to remain major thrust areas. Besides this, Company will continue to its present level of merchant export activity of agro-based products. Export performance touched Rs. 800 Lacs in the current period as compared to Rs. 675 Lacs (annualised) during the previous year. During the first four months of the current financial year exports of the company has already touched Rs. 247 lacs.

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.25000/- or more per month if employed for the part of the year or Rs. 3,00,000/- 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 :-

(I) CONSERVATION OF ENERGY

- The company has taken adequate steps like using imported and superior raw materials for energy conservation.
- The company has installed four D.G. Sets to cover the entire plant capacity thereby saving energy on frequent start-ups in Extrusion Plant.
- 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

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

(B) TECHNOLOGY ABSORPTION, ADAPTATION & INOVATION

- 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 has entered into 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.
- Technology imported

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



ASIA PACK LIMITED

(III) TOTAL FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | | |
|------------------------------|---|-------------------|
| 1. Foreign Exchange Earnings | : | Rs. 7,72,90,601/- |
| 2. Foreign Exchange Outgo | : | Rs. 3,47,32,217/- |

PROJECTIONS V/S PERFORMANCE

As required under Clause 43 of the Listing Agreement executed by the company with Stock Exchanges, the requisite information pertaining to the projections made by the company in the prospectus dated 16th April 1995 and the actual performance for the year 1996-97 is as under:

(Rs. in Lacs)

	Projections	Performance *
Sales and other income	1954.34	1651.49
Profit After Tax	196.71	5.86
Paid up equity share capital (Net of Allotment Money in Arrears)	300.00	273.09
Reserves (Excluding Revaluation reserves)	672.02	485.48
EPS	6.56	0.02

* The actual performance is for the period 1st August'96 to 31st July'97 against projections for 12 months from 1st April'96 to 31st March'97

DIRECTORS

Mr. D. A. Panchal is due to retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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.

ACKNOWLEDGMENT

The Directors acknowledge with gratitude the co-operation extended by its Bankers, Bank of India, 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

Place : UDAIPUR,
Dated : 23.11.97,

(T.S. BHANDARI)
CHAIRMAN



ASIA PACK LIMITED

AUDITORS' REPORT

The Shareholders,
ASIA PACK LIMITED,

We have audited the attached Balance Sheet of ASIA PACK LIMITED as at 31st July, 1997 and the annexed Profit & Loss Account of the Company for the period ended on that date and report as follows:-

1. 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.
2. 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 these books.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to:-
 - (i) Changes in the method of valuation of inventories during the year resulting into enhancement in the year end value of inventory by Rs. 51.89 lacs and correspondingly loss for the year being lower by to such extent (refer to Para No. 8 to Sch. "P").
 - (ii) Deferment of Post operational revenue expenses of tarpaulin division pertaining to the period of abnormal operational levels during 1995-96 for write off in 4 years and its consequential effect in terms of write off of Rs. 4,22,046 as an expense during the year. (refer to Para No. 13 to Sch. "P").
 - (iii) Non provision of reasonable amounts against capital good advances of Rs. 20.25 Lacs featuring as "Capital work in progress" against advances for supply of goods considered doubtful of recovery (refer to Para No. 7(I) & 7(II) of Sch. "P").
 - (iv) 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,
 - a) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st July, 1997 and
 - b) In the case of the Profit and Loss Account of the Profit for the period ended 31st July, 1997.
5. 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 records to show full particulars including quantitative details and situation of fixed assets. Additions for the period under audit and previous are under updation on the basis of necessary information duly complied. We have been informed that the fixed assets have been physically verified by the management during the year and no discrepancies were noticed on such verification.
 - ii) The Company revalued Leasehold Land, Factory Building and main Plant & Machinery as on 31-03-1994 on the basis of their net current value/market value than, as per valuation made by Firm of Registered Approved valuers and a Firm of Chartered Engineers, respectively. The difference between the book value after depreciation for the year and current market value as on 31/03/1994 as per Valuers and Chartered Engineers Report aggregating to Rs.67,43,587/- was transferred to Revaluation Reserve Account (in the year 1993-94). During the year 1996-97, proportionate depreciation on such component to the extent of Rs.4,57,886/- has been charged to revaluation reserve account.