

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



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ASIA PACK LIMITED

13th ANNUAL REPORT
1997-98

R. V. Parikh - Managing Director
A. Bhandari - Whole Time Director

AUDITORS

Shah Patni & Co

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ASA PACK LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth 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 30th January, 1999 at 3:00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Director Reports', Auditor Reports' and Audited Balance Sheet as at 31st July, 1998 and Profit & Loss Account for the year ended on that date.
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.

By order of the Board

Dated: 27th November, 1998

(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.
2. The register of members and Share Transfer Books of the Company will remain closed from Thursday the 28th January, 1999 to Saturday the 30th January, 1999 (both day inclusive)
3. Member 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.

By order of the Board

Dated: 27th November, 1998

(Arvind Bhandari)
Whole Time Director.



ASIA PACK LIMITED

DIRECTORS' REPORT

**TO
THE MEMBERS,**

Directors of your company have pleasure in submitting their 13th Annual Report together with the Audited Accounts of the company for the year ended 31st July 1998.

(Rs. in Lacs)

FINANCIAL RESULTS	1997-98	1996-97
Sales and other income	1534.23	1651.49
Profit/(Loss) before Depreciation & Taxation	(165.53)	49.43
Depreciation	45.48	43.57
Profit/(Loss) before Tax	(211.01)	5.86
Provision for Taxation	0.00	0.00
Profit/(Loss) After Tax	(211.01)	5.86
Prior Period Adjustment	1.12	5.59
Transfer from General Reserve	5.11	0.00
Profit brought forward from earlier year	169.56	186.97
Proposed Dividend	0.00	13.65
Provision for Corporate Dividend Tax	0.00	4.03
Balance carried to Balance Sheet	(37.46)	169.56

The results for the year have been much below expectations. The capacity utilization of PE Tarpaulin Unit was 46% and the company could not fully cover interest burden. Production and sales were adversely affected due to delay in sanction of enhanced working capital facilities and blockage of funds due to use of duty paid material against exports, besides delay in implementation of weaving unit and consequent dependence of imports for captive requirement of fabric.

The weaving unit has been partially implemented. Implementation of the unit was withheld due to failure of Korean Suppliers and uncertainty of the availability of long term after sales support. Company has approached its bankers with modified scheme for allowing implementation of weaving unit and disbursement of unavailed term loan of Rs. 208 lacs.

Operations in merchant export activity were also adversely affected due to sudden drop in international market prices. The woven sack activity also faced drop in realisation due to recessionary trend prevailing in cement industry. Enhanced working capital facilities have been sanctioned in July '98. Company is hopeful of improving its performance in the current year with the availability of adequate working capital and implementation of weaving unit.

DIVIDEND

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

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.



ASIA PACK LIMITED

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

- (a) 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.

(B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

- (a) 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 Technical Collaboration with a leading Korean Company M/S Jung Shin Co. Ltd. for providing Technical know how for PE Tarpaulin Project.
- (b) Due to technology adoption the company has been able to produce PE Tarpaulins to match international standards and earned substantial foreign exchange.
- (c) Technology imported

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. 6,95,14,916
2. Foreign Exchange Outgo : Rs. 3,62,62,612

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 & with the actual performance for the year 1997-98 is as hereunder:

(Rs. in Lacs)		
Particulars	Projections	Performance*
Sales and other income	2148.84	1534.23
Profit After Tax	235.59	(211.01)
Paid up equity share capital (Net of Allotment Money)	300.00	273.09
Reserves (Excluding Revaluation reserves)	1147.61	251.06
EPS	7.85	-

* The actual performance is for the period 1st Aug'97 to 31st July'98 against projections for 12 months from 1st April'97 to 31st March'98 due to change in accounting year.



ASIA PACK LIMITED

DIRECTORS

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

Mr. D. A. Panchal retired from the board with effect from 8th October, 1998. The directors record their sincere appreciation of the valuable services rendered by Sh. D. A. Panchal.

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 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,

(T.S. BHANDARI)
CHAIRMAN.

Place : UDAIPUR,

Dated : 27th November, 1998



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, 1998 and the annexed Profit & Loss Account of the Company for the year 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 non provision of reasonable amounts against capital good advances of Rs. 20.25 lacs featuring as "Capital work in progress", considered doubtful of recovery (refer to para 4 to schedule "O"). Prior period adjustments totalling to Rs.1.12 Lacs (Net) (refer to para 14 to Schedule "O") and 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, 1998 and
 - b) In the case of the Profit and Loss Account of the loss for the year ended 31st July, 1998.
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 during the period under audit and previous years are under updation on the basis of necessary information duly compiled. 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 then, 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 the 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, 1997-98, proportionate depreciation on such component to the extent of Rs.4,57,886/- has been charged to revaluation reserve account.
 - iii) The stocks of finished goods, stores, spare parts and raw materials lying at different divisions have been physically verified by the management with the assistance of an outside agency at reasonable periods except for finished goods lying with Job workers and with third parties from whom necessary confirmations have been obtained. In our opinion the frequency of such verification is reasonable.
 - iv) According to the information and explanations given to us, the company has laid down procedure for physical verification of the stocks which are reasonable. Physical verification of the stocks by the management has been reasonable and adequate considering the size of the operations and nature of business activity.



ASIA PACK LIMITED

- v) The discrepancies noticed between the physical stocks as verified periodically and the book records, the same to the extent considered normal for size and nature of the industry, have been adjusted in the year end inventory as taken and considered by the company.
- vi) In our opinion and on the basis of examination of stock records, valuation of year end inventories, except to the extent of including components of interest on term loans for new divisions and on working capital facilities as elements of cost both for raw material as carrying cost and for finished and semi finished goods as part of production overheads, the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) Except for an interest free loan from a company under the same management, the company has not taken any other loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or from companies under the same management as defined in Sec. 370 (1-B) of the Companies Act, 1956.
- 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. Except an interest free advance outstanding to the extent of Rs. 15,09,016 for which the company has initiated efforts for its recovery, there are no other loans to companies under the same management as defined in Sec. 370 (1-B) of the Companies Act, 1956.
- ix) Loans and Advances in the nature of loans given by the Company:
 - (a) The parties to whom loans or advances in the nature of loans have been given by the company have generally repaid the principal and interest regularly, except:
 - Advances totalling to Rs.81.54 Lacs to two parties against order for supply of goods outstanding since earlier years, against which supplies have not been made. Though management is optimistic of recoveries, we are unable to express any opinion with regard to recoverability of the said advances (Refer to Para 13 to Schedule "O")
 - Loan to a trade party outstanding since earlier years of Rs. 2.27 Lacs has been shown as doubtful. However, no provisions has been made in the books of accounts for the same. The Company has taken effective legal steps for the recovery of balance (refer to para 4 to the Schedule "O").
 - (b) Interest free loans and advances in the nature of loans to employees, without any stipulations as regards its repayments have been partially recovered, during the year.
- x) In our opinion and according to the information and explanations given to us there is adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores items, raw materials including components, plant and machinery, equipments and other assets and with regard to sale of goods.
- xi) According to the information and explanations given to us, there were no transaction of purchase of goods and materials from parties entered in the register maintained under section 301 of the Companies Act, 1956 during the year aggregating to Rs.50,000/- or more in respect of each party.
- xii) As explained to us, unserviceable and damaged raw materials, process stocks, traded goods and finished goods are periodically determined by the Company and adequate provision for loss made while determining the value of year end inventories. As regards value of unserviceable or damaged stores and spares being not material, the company does not follow any regular procedure for determining any value of the same.
- xiii) According to the information and explanation given to us, the Company has not accepted any deposit from public in terms of section 58A of the Companies Act, 1956.
- xiv) The Company is maintaining records for the sale and disposal of process wastage. As per explanations given to us, the company has no by-products.

**ASIA PACK LIMITED**

- xv) The Company has a firm of Chartered Accountants as internal auditors. The internal audit system is reviewed by the management from time to time and is satisfactory.
- xvi) As per explanations given to us, the Central Government has not prescribed the maintenance of cost records by the company under section 209 (1)(d) of the Companies Act, 1956.
- xvii) According to the records of the company, the Provident Fund dues and the Employees State Insurance dues have been regularly deposited during the year with appropriate authorities.
- xviii) According to the information and explanations given to us, there is no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty as on 31/07/1998 outstanding for a period of more than six months from the date they became payable.
- xix) According to the information and explanations given to us and the records examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practices.
- xx) The Company is not a sick industrial company within the meaning of clause (O) of sub-section (i) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xxi) In respect of trading activities we are informed that there was no stock of damaged goods, material in value.

For SHAH PATNI & CO.,
Chartered Accountants.

(PRAMOD PATNI)
Partner

PLACE : CAMP UDAIPUR
DATE : 27th November, 1998.