



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

PAN ELECTRONICS (INDIA) LIMITED

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15th ANNUAL REPORT 1997 - 98





PAN ELECTRONICS (INDIA) LIMITED

BOARD OF DIRECTORS

Shri Nanik G. Rohera	<i>Chairman</i>
Shri Nitesh Rohera	<i>Managing Director</i>
Shri M. H. Raney	<i>Director</i>
Shri B. K. Banerjee	<i>Director</i>
Shri J. T. Poonja	<i>Director</i>

AUDITORS

M/s. K. P. Rao & Co., Chartered Accountants, Bangalore.

FINANCIAL INSTITUTIONS

Industrial Development Bank of India Limited (IDBI).
Tamil Nadu Industrial Investment Corporation Limited (TIIC).

BANKERS

Bank of India, Corporate Banking Branch, SKIP House, Bangalore.

REGISTERED OFFICE

No. 69, III Cross,
Cubbonpet
BANGALORE 560 002.

REGISTRARS & SHARE TRANSFER AGENTS

Sheshanka Financial Services (Pvt.) Ltd.
J 702, South Block, Manipal Towers
Dickenson Road
BANGALORE 560 042.

FACTORY

Plot No. 83
Phase I
SIPCOT Industrial Complex
HOSUR 635 126.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of PAN ELECTRONICS (INDIA) LIMITED, will be held on Tuesday, the 30th June, 1998 at 10 A.M. at Guestline Days Hotel, Plot No. 1 and 2, KIADB Industrial Area, Attibele, BANGALORE 562 107, to transact the following business :

I. ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31.3.1998, audited Profit & Loss Account for the year ended as on that date together with schedules and notes thereon and the reports of the Board of Directors and Auditors thereon.
2. To appoint Directors in place of those retiring.
3. To appoint statutory Auditors to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

II. SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification the following resolution as a special resolution:

"RESOLVED that consent be and is hereby given under Section 370 of the Companies Act, 1956 and subject to the prior approval of the Central Government under Section 295 of the said Act, to the Board of Directors of the Company to give Corporate Guarantee in favour of Industrial Development Bank of India guaranteeing the due repayment / redemption of Non Convertible Debentures of the aggregate value of Rs. 770 Lakhs (Rupees Seven Hundred and Seventy Lakhs only) obtained by M/s. C and N Ganges Metallising Private Limited.

BY ORDER OF THE BOARD OF DIRECTORS

NANIK G. ROHERA
CHAIRMAN

Place : Mumbai
DATE : 4th JUNE, 1998

NOTES :

1. A Member entitled to attend and vote in the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business is annexed to the Notice.
3. The Register of Members and the Share Transfer Books in respect of Equity Share of the Company shall remain closed from 27-6-1998 to 30-6-1998.
4. Members are requested to notify the change in address if any, immediately to the Registrars and Share Transfer Agents viz., M/s. Sheshanka Financial Services Private Limited, J 702, South Block, Manipal Towers, Dickenson Road, Bangalore 560 042, with whom Register of Members and index of Members are kept.
5. All documents referred to above are open for inspection. Members seeking clarification on accounts are requested to write to the Registered Office at No. 69, III Cross, Cubbonpet, Bangalore 560 002 at an early date to enable the Management to keep the information ready.



PAN ELECTRONICS (INDIA) LIMITED

6. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting and hand it over at the entrance hall.
7. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS,

NANIK G. ROHERA
CHAIRMAN

Place : Mumbai
DATE : 4th JUNE, 1998

ANNEXURE TO NOTICE :

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS :

ITEM NO. 4 :

As per Clause III A 1 of object clause, the Company is authorised to deal in manufacture of metallised Plastic Films and all other kinds of electronic components. In addition as per Clause C2 of other objects, the Company is authorised to enter into any arrangement with any other Company, engaged in business transactions with any other Company, engaged in business transactions which the Company is authorised to carry on and also guarantee the contracts of any person, firm or Body Corporate.

In pursuance of the said powers vested in the Memorandum, the Company proposes to give Corporate Guarantee in favour of IDBI for the due repayment / redemption of Non-Convertible debentures aggregating to Rs. 770/- Lakhs sanctioned to C and N Ganges Metallising Private Limited (C and N). The proceeds will be utilised for regularising and restructuring the existing loan. As per Clause III 1 of the object clause, C and N is authorised to carry on the business of metallising Polyester Film.

The metallising Capacity of C and N is 4800 TPA as against the Metallising Capacity of 480 TPA of the Company i.e., 10 times the capacity of the Company. Further, the facility of Aluminium Metallising is available with the Metalliser of C and N which is not available with the Company and as and when required this facility can be utilised by the Company.

By giving guarantee to IDBI, the Company will be benefited as it can utilise the extra capacity of Metallising available with the C and N. It can also avail Aluminium Metallising facility and these benefits would result in increased turnover and profitability and enable the Company to declare reasonable dividend in future.

As per Section 370(i)(b) of the Companies Act, 1956, the Corporate Guarantee is to be approved by Special resolution by the members of the Company. The Board commends the passing of the resolution in the interest of the Company.

Shri Nanik G. Rohera and Shri Nitesh Rohera, Directors are interested in the resolution.

BY ORDER OF THE BOARD OF DIRECTORS

NANIK G. ROHERA
CHAIRMAN

Place : Mumbai
DATE : 4th JUNE, 1998

PAN ELECTRONICS (INDIA) LIMITED**DIRECTORS' REPORT :**

Your Directors present their Fifteenth Annual Report together with the Audited Annual Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS :

	Rs. in lakhs	
	1998	1997
Profit/(Loss) before depreciation	12.49	(36.27)
LESS : Depreciation	73.46	59.71
Profit/(Loss) after Tax	(60.97)	(95.98)
Prior period (expenses) / Income	3.99	0.83
Transfer from State Special subsidy	2.00	2.00
Profit/(Loss) brought forward	24.93	118.08
Disposable profits	(38.03)	24.93
APPROPRIATIONS	-	-
Surplus carried forward	(38.03)	24.93

PERFORMANCE :

Your Company has achieved a turnover of Rs. 556.78 Lakhs and executed Job Work of the value of Rs. 89.16 Lakhs during the year. The improvement in turnover over the previous year however is only marginal.

Your Company has diversified its product range to include Capacitors which will be marketed under PAN brand name. The Capacitors have been introduced to the market during end March 98 and the response is encouraging. Though the value addition is not significant, your Company is hopeful of improving its turnover substantially during coming years through Capacitor business. Company is also planning to enter the export market aggressively.

Your Company has incurred a loss of Rs. 60.97 Lakhs for the year ending 31-03-1998. However there is a marked improvement in the operational efficiency during the second half of 1997-98 in comparison with the loss of Rs. 95.98 Lakhs incurred during the previous year and Rs. 56 Lakhs loss incurred during the first half of 1997-98.

In view of the loss incurred by the Company during the year, your Board of Directors could not recommend any dividend.

EXPANSION PLANS :

Your Company's expansion plan in the metallisation area, have been put through successfully without any cost overrun. The Commercial production has commenced during March 1998. The financial assistance to the project has been provided by IDBI.

DIRECTORS :

In accordance with the provisions of Companies Act, 1956 and Articles of Association of the Company Shri M. H. Raney, retires by rotation at the ensuing Annual General Meeting of the Company.

COMPANY SECRETARY :

The Company is trying to appoint a qualified Company Secretary but is unable to locate a suitable candidate. Every effort is being made in this regard.

AUDITORS :

M/s. K. P. Rao & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.



FIXED DEPOSITS :

The Company has not accepted any deposits from the public.

SUBSIDIARY COMPANY :

The Company does not have any subsidiary Company.

OTHER INFORMATION :

Information required by the Companies (Amendment) Act, 1988 is given as an Annexure to this Report. None of the employees were in receipt of remuneration at the rate of not less than Rs. 25,000/- per month in terms of Section 217(2A)(a)(iii).

INDUSTRIAL RELATIONS :

During the year the relationship with the employees remained cordial and the Board wishes to place on record its appreciation for the unstinted support and contribution by them at all levels.

ACKNOWLEDGEMENT :

The Directors place on record, their sincere thanks to IDBI, SIPCOT, TIIC, Bank of India, Deutsche Bank, various departments of State and Central Governments, Vendors, and Trade suppliers. Your Directors, take this opportunity to express their appreciation to the employees at all levels for their service. The Directors also thank the valued customers of the Company for their continued patronage. The Directors gratefully acknowledge the support extended by the shareholders.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS.

NANIK G. ROHERA

CHAIRMAN

Place : MUMBAI

Date : 4th JUNE, 1998



PAN ELECTRONICS (INDIA) LIMITED**ANNEXURE TO DIRECTORS' REPORT**

PARTICULARS AS PER COMPANIES (Disclosure of particulars in the Report of the Board of Directors in terms of Notification 1029 of 31-12-1988 issued by the Department of Company Affairs) RULES, 1988.

A. CONSERVATION OF ENERGY : The Company continue to pursue its efforts to conserve the energy resources with its focus on reducing fuel and electrical energy costs.

B. TECHNOLOGY ABSORPTION : Furnished below

C. FOREIGN EXCHANGE EARNINGS & OUTGO :

The information on Foreign Exchange Earnings and outgo is furnished in the Notes to the accounts.

I RESEARCH AND DEVELOPMENT

1. Specific area in which R&D carried out by the Company : The Company has established R&D Section to improve the quality of metallisation.
2. Benefits derived as a result of the above R&D. : Company has produced metallised film for aerospace applications.
3. Future plan of action : The Company would like to pursue its R&D efforts with an objective of improvement in quality of the process and products.
4. Expenditure on R&D : Rs. 3.00 Lakhs.

II TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

1. Efforts, in brief, made towards absorption, adaptation and innovation. : NIL
2. Benefit derived as a result of the above results : NIL
3. Information on Imported Technology : NIL

FOR AND ON BEHALF OF THE BOARD

NANIK G. ROHERA
CHAIRMAN

Place : MUMBAI
Date : 4th JUNE, 1998