



ISO 9002

PAN ELECTRONICS (INDIA) LIMITED

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16th ANNUAL REPORT 1998 - 99



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>
Smt. Y. J. Mogrelia	<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

Venlon House
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 Sixteenth Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED, will be held on Wednesday, the 29th September, 1999 at 3.00 P.M. at Hotel Samrat Residency, 173/1, S. C. Road, (Opp. Nataraja Theatre), Seshadripuram, BANGALORE 560 020, to transact the following business :

I. ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31.3.1999, 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 a Director in place of Shri B. K. Banerjee who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri J. T. Poonja who retires by rotation and being eligible offers himself for re-appointment.
4. 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 :

5. To appoint Smt. Y. J. Mogrelia as a Director liable for retirement by rotation.
6. To consider and if thought fit, to pass with or without modification the following resolution as a special resolution:

"RESOLVED that pursuant to the provisions of sub-section (1A) of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and the listing Agreements entered into by the Company with the Stock Exchange/s where the Shares of the Company are listed and subject to the approval of Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities and departments, if any, to the extent necessary and on such terms and conditions as may be prescribed or imposed by all or any of the concerned authorities in granting any such approvals, permissions and sanctions and which may be agreed to by the Directors of the Company (hereinafter referred to as the 'Directors' which term shall be deemed to include Board of Directors, any Committee of Directors or any Director, authorised for the purpose by the Board) the approval of the Company be and is hereby accorded to the Offer, issue and allotment of further equity shares/convertible debentures whether fully or partially convertible and/or non-convertible debentures, share warrants, detachable warrants secured premium notes with or without detachable or non-detachable warrants and/or other financial instruments (hereinafter referred to as the "Securities") as the Directors in their sole discretion may at any time hereinafter decide and which Securities when issued or allotted may ultimately result in generating funds to the extent of Rs. 60 Crores (Rupees Sixty Crores only) including such premium as may be charged to all or any of the following categories, viz., Foreign Institutional Investors (FIIs), Overseas Corporate Bodies (OCBs), Non-Resident Indians, Foreign or offshore funds, Companies, Financial Institutions, Mutual Funds, Trust, other entities and bodies corporate or individual or to such other persons whether by private placement or preferential allotment and/or a combination of the above modes/methods or otherwise and at such time or times and in one or more branches, as the Directors may in their absolute discretion think fit and on such terms and conditions including the number of equity shares and/or debentures to be issued, the face value, the price of issue, rate of interest, redemption period, manner of redemption/conversion, the ratio, period of conversion, fixing of record date or book closure, provided that the issue price of the equity shares to be issued in the first instance or on conversion of debentures or upon exercising the rights of entitlement attached to the warrants/other Instruments shall be at a price as may be decided by the Directors having regard to the future prospects of the Company or any other guidelines as applicable, if any, as the Directors may consider appropriate".

"FURTHER RESOLVED THAT such of these Securities to be issued, as are not subscribed, may be disposed off by the Directors in their absolute discretion, at such price and in such manner and/or on such terms as Directors may deem fit, including by offering or placing them or any of them with any banks/financial institutions/investment institutions/mutual funds/trusts or otherwise as the Directors may in their absolute discretion deem fit and proper".

BY ORDER OF THE BOARD OF DIRECTORS

NANIK G. ROHERA
CHAIRMAN

Place : Mumbai
DATE : 3rd AUGUST, 1999



PAN ELECTRONICS (INDIA) LIMITED

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 23-9-1999 to 29-9-1999 (both days inclusive).
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 Venlon House, No. 69, III Cross, Cubbonpet, Bangalore 560 002 at an early date to enable the Management to keep the information ready.
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 : 3rd AUGUST, 1999

ANNEXURE TO NOTICE :

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

ITEM NO. 5 :

Smt. Y. J. Mogrelia was appointed as an Additional Director of the Company on 30th June, 1998 by the Board of Directors, in terms of Section 260 of the Companies Act, 1956. Smt. Y. J. Mogrelia holds office upto the ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 alongwith requisite fee of Rs. 500/- has been received from a shareholder signifying his intention of proposing Smt. Y. J. Mogrelia for the Office of the Director. The Directors recommend that her appointment will be of immense benefit to the Company.

Except Smt. Y. J. Mogrelia, no other Director is interested in this resolution.

ITEM NO. 6 :

In order to meet the future expansion programme, the Company might have to fund the means of finance through issue of capital. Hence the resolution under 81(1A) is proposed.

None of the Directors is interested in this resolution.

BY ORDER OF THE BOARD OF DIRECTORS

NANIK G. ROHERA
CHAIRMAN

Place : Mumbai
DATE : 3rd AUGUST, 1999

PAN ELECTRONICS (INDIA) LIMITED

DIRECTORS' REPORT :

Your Directors present their Sixteenth Annual Report together with the Audited Annual Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS :

	Rs. in lakhs	
	1999	1998
Profit/(Loss) before Depreciation	137.28	12.49
LESS : Depreciation	105.12	73.46
Profit/(Loss) before Tax	32.16	(60.97)
Provision for Tax	3.70	—
Prior period expenses	7.23	3.99
Transfer from State Subsidy	2.60	2.00
Profit/(Loss) brought forward	(38.04)	24.92
Disposable Profits	(14.21)	(38.04)
APPROPRIATIONS		
Deficit carried forward	(14.21)	(38.04)

PERFORMANCE :

Your Company has achieved a turnover of Rs. 793.30 Lakhs and executed Job Work of the value of Rs. 229.29 Lakhs during the year. The turnover has increased remarkably by 43% as compared to the previous year. The increase in turnover is due to utilisation of additional capacity created under expansion plan during previous year.

Your Company has achieved a profit before tax and prior period adjustments of Rs. 32.16 Lakhs as compared to a loss of Rs. 60.97 Lakhs incurred during previous year. Taking into account the financial position and the commitments, your Board of Directors could not declare any dividend.

ISO 9002 CERTIFICATION :

Your Directors are pleased to inform that your Company successfully implemented ISO 9002 standards and obtained the accreditation from KPMG Quality Registrar. This would give a competitive edge to Company's products in domestic market and penetration to global markets.

EXPANSION PLANS :

Considering the demand potential, your Company has decided to diversify to manufacture Aluminium Metallised Polyester film by importing second hand plant and machinery. The metalliser and other machineries have been identified and the required licenses have been obtained. The investment involved is only marginal.

THE YEAR 2000 PROBLEM (Y2K) :

Your Company is fully aware of the year 2000 problem. Considering the nature of the products manufactured by your Company, the machineries used and the operations involved the impact of the Y2K problem on the operations of the Company is not substantial. Company has taken adequate steps to ensure that the Company is Y2K compliant by 30th September, 1999. No major expenditure is envisaged in this regard.

DIRECTORS :

In accordance with the provisions of Section 255 of the Companies Act, 1956 and Articles of Association of the Company Shri J. T. Poonja and Shri B. K. Banerjee, retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

**COMPANY SECRETARY :**

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

AUDITORS :

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

FIXED DEPOSITS :

The Company has not accepted any deposits.

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.

LISTING :

Your Company confirms the payment of Listing Fees to Stock Exchanges and that the listing arrangement is being continued at Bangalore and Mumbai Stock Exchanges.

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 also thank the valued customers of the Company for their continued patronage. Your Directors, take this opportunity to express their appreciation to the Executives, Officers, Staff and Workers at all levels for their service. 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 : 3rd AUGUST, 1999