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PAN ELECTRONICS (INDIA) LIMITED


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17th

ANNUAL REPORT

1999-2000

For PAN ELECTRONICS (INDIA), LIMITED


NITESH ROHERA
Managing Director

PAN ELECTRONICS (INDIA) LIMITED

BOARD OF DIRECTORS

Shri Nanik G Rohera	Chairman
Shri Nitesh Rohera	Managing Director
Shri M H Raney	Director
Shri B K Banerjee	Director
Shri J T Poonja	Director
Smt Y J Mogrelia	Director (upto 30 th August 2000)
Shri H N Tarachandani	Director

AUDITORS

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

FINANCIAL INSTITUTIONS

Industrial Development Bank of India Limited (IDBI)
Tamilnadu Industrial Investment Corporation Limited (TIIC)

BANKERS

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

REGISTERED OFFICE

No.69, 3rd 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.

PAN ELECTRONICS (INDIA) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of PAN ELECTRONICS (INDIA) LIMITED, will be held on Monday, the 30th October, 2000 at 3.00 PM at Hotel Shiva International, 132, S.C. Road, Seshadripuram, Bangalore 560 020 to transact the following business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.3.2000, 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 Nanik G Rohera who retires by rotation.
3. To appoint a Director in place of Shri M H Raney who retires by rotation.
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 Shri H N Tarachandani 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 special resolution:

The following provision shall be added to the existing Articles of Association as Article 46 to 49:

DEMATERIALISATION AND DEPOSITORY

Authority to Dematerialise Securities	<p>46.(1) Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding of and dealings in any or all the shares or debentures or other securities of the Company (hereinafter referred to as Securities) in dematerialised form under the provisions of the Depositories Act and may offer the securities of the Company for subscription / allotment in dematerialised form in the manner provided by the said Act.</p> <p>46. (2) When any securities of the Company are held or dealt in dematerialised form:-</p>
Option to hold Securities in Certificates or with Depository	(a) Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a Depository.

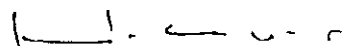
Securities with Depository to be dematerialised	(b) All securities held with a depository shall be dematerialized.
Beneficial Owner is Member	(c) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held by him in a depository.

Beneficial owner opt out of a depository	(d) Every person holding securities of the Company with a Depository being the beneficial owner thereof, may at any time depository opt out of the depository in the manner provided under the provisions of the Depositories Act and on exercise of such option and on fulfillment of the conditions and payment of the fees prescribed under the said Act, the Company shall rematerialise the relevant securities and issue to the beneficial owner thereof the requisite certificates of such securities.
Intimation to Depository	47 (1) The Company shall make available to the depository copies of the relevant records in respect of securities held by such depository for the beneficial owners thereof.
	(2) When a holder or an allottee of securities opts to hold the same with a depository, the Company shall intimate such depository the details of his holdings or allotment of securities and thereupon the depository shall enter in its record the names of the holders / allottees as the beneficial owners of such securities.
Register and Index of Beneficial owners	48. The Register and Index of Beneficial Owners of securities maintained by a depository under Section 11 of the Depositories Act owners shall be deemed to be and forming part of the Register and Index of Members or of Holders of Debentures or other securities of the Company.
Transfer of Securities held in a Depository	49(1) Transfers of Securities held in a depository will be governed by the provisions of the Depositories Act. (2) Every depository shall furnish to the Company information about the transfer of securities, the name of beneficial owners at such intervals and in such manner as may be specified under the provisions of the Depositories Act. (3) Section 108 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.


Place : Bangalore

Date : 08-09-2000

By Order of the Board,


Nanik G. Rohera
CHAIRMAN

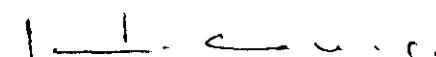
For PAN ELECTRONICS (INDIA), LIMITED


NITESH ROHERA
Managing Director

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 Shares of the Company shall remain closed from 23/09/2000 to 29/09/2000 (both days inclusive).
4. Members are requested to notify the change in address if any, immediately to the Registrar and Share Transfer Agents viz., M/s. Sheshanka Financial Services (P) Ltd., J 702, South Block, Manipal Towers, Dickinson 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, Cubbonpet, III Cross, 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.

BY ORDER OF THE BOARD,



NANIK G ROHERA
CHAIRMAN

Place : Bangalore
Date : 08.09.2000

For PAN ELECTRONICS (INDIA, LIMITED



NITESH ROHERA
Managing Director

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

Shri H N Tarachandani was appointed as an Additional Director of the Company on 25.10.1999 by the Board of Directors, in terms of Section 260 of the Companies Act, 1956. Shri H N Tarachandani holds office upto the ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 along with requisite fee of Rs.500/- has been received from a shareholder signifying his intention of proposing Shri H N Tarachandani for the Office of the Director. Shri H N Tarachandani was holding the position of General Manager, Reserve Bank of India and was also Director of Karnataka Bank and Vysya Bank. The Directors commend that his appointment will be of immense benefit to the Company.

Except Shri H N Tarachandani, no other Director is interested in this resolution.

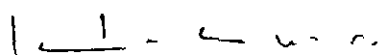
Item No. 6

The Depositories Act, 1996 provides option to investors to hold securities of companies in the form of certificates or in dematerialised form with a depository. The Depositories Act has also amended some of the provisions of the Companies Act 1956 pertaining to issue, holding, transfer, transmission and dealing in shares and other securities to facilitate the introduction and implementation of the depository system. The Securities and Exchange Board of India (SEBI) have already made compulsory dematerialised trading in the shares of certain companies. SEBI is planning to introduce compulsory dematerialised trading in the shares of most of the listed companies in the near future.

To enable the Company for trading of shares in dematerialised form and also for holding of shares in the Electronic Form, it is necessary to amend the articles of association. The amendment of articles of Association is therefore proposed for approval by the Shareholders.

None of the Directors of the Company is interested in the above resolution.


BY ORDER OF THE BOARD



NANIK G ROHERA
CHAIRMAN

PLACE : Bangalore
DATE : 08/09/2000

For PAN ELECTRONICS (INDIA, LIMITED



NITESH ROHERA
Managing Director

DIRECTORS REPORT

Your Directors present their Seventeenth Annual Report together with the Audited Annual Accounts for the year ended 31st March, 2000

FINANCIAL RESULTS**Rs. in lakhs**

	1999-2000	1998-99
Profit / (Loss) before Depreciation	10.41	137.28
Less: Depreciation	100.84	105.12
Profit / (Loss) before Tax	(90.43)	32.16
Provision for Tax	-	3.70
Prior period expenses	2.01	7.23
Transfer from State Subsidy	3.20	2.60
Profit / (Loss) brought forward	(14.21)	(38.04)
Disposable Profits	(103.45)	(14.21)

APPROPRIATIONS:

Deficit carried forward	(49.63)	(14.21)
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PERFORMANCE:

Your Company has achieved product sales of Rs.776.62 lakhs and executed Job Work of the value of Rs.192.79 lakhs during the year. The decrease in turnover by 5.5% as compared to the previous year is due to severe competition from the existing metallisers and global reduction in prices of Plain / Metallised Films.

Your Company sustained loss before tax and prior period adjustments of Rs.90.43 lakhs as compared to a profit of Rs.32.16 lakhs during previous year. Taking into account the loss sustained by your Company, your Board of Directors could not declare any dividend.

EXPANSION PLANS

Your Company has imported 3rd Metalliser (second hand) for manufacture of Aluminium Metallised Film. With this diversification the installed capacity of your Company will increase to 600 Tons per annum. Your Company will be now in a position to offer both Aluminium and Zinc Alloy Metallised films under one roof. In view of this it is expected that the working results of the Company would improve during the coming years.

JOINT WORKING ARRANGEMENTS

During the year your company has entered into a Long Term agreement with M/s.Livingston Industrial Company Ltd., Taiwan. As per the agreement your Company will market Livingston's products comprising of capacitor manufacturing machineries in India and Livingston in turn will market your Company's metallised film in Taiwan and Mainland China. In all likelihood your Company will for the first time register as export turnover of over USD 2,50,000 during 2000-2001 as a result of this long term agreement.

DIRECTORS

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

Smt. Y.J.Mogrelia resigned as a director due to personal reasons. The Directors place on record their appreciation for the support extended by Smt. Mogrelia.

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 reappointment.

FIXED DEPOSITS

Your company has not accepted any deposits.

SUBSIDIARY COMPANY

During the year, Venlon Metallising Private Limited (formerly C & N Ganges Metallising Private Limited) has become subsidiary of this company by virtue of the powers vested with this company to control the composition of the Board of Directors of Venlon Metallising Private Limited.

Documents of the Subsidiary company required to be enclosed pursuant to section 212(1) of the Companies Act 1956 are attached.

CORPORATE GUARANTEE

Based on the consent of the Shareholders by a special Resolution at the Annual General Meeting held on 30th June 1998, the Company during the year has given a Corporate Guarantee to Industrial Development Bank of India, guaranteeing due repayment of Non-Convertible Debenture of Rs.770 lakhs by Venlon Metallising Private Limited (Formerly C and N Ganges Metallising Private Limited). However, approval of Central Government was not required to be taken since M/s. Venlon Metallising Private Limited is a subsidiary.

There are no employees covered by Section 217(2)A of the Companies Act 1956.

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.

AUDITORS OBSERVATIONS

Regarding non-obtainment of confirmations in respect of certain balances under Secured Loans and Sundry Debtors, the board does not foresee any material impact on the accounts of the Company upon reconciliations. Regarding other observations of the Auditors under item 1(e) of their report, the Board is of the opinion that the companies referred to are in the course of operational turnaround in view of the substantial export orders received by them and as such no provisions are required to be made in the books of accounts.

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.

OTHER INFORMATION

Information required by the Companies (Amendment) Act, 1988 is given as an Annexure to this Report.


The company has obtained permission from Registrar of Companies Karnataka, Bangalore to hold the annual general meeting on or before 31st October, 2000 vide Letter no. EXTN/STA/4960/2000 dated 06.09.2000.


ACKNOWLEDGMENT

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

Place : Bangalore
Date : 08.09.2000


Nanik G Rohera
Chairman.

For PAN ELECTRONICS (INDIA, LIMITED)

NITESH ROHERA
Managing Director