

*9th*  
*Annual Report*  
1999-2000



**HANSAFLON PLASTOCHEM LIMITED**

**BOARD OF DIRECTORS**

**Shri Surya Kant Gupta** Managing Director

**Shri Rajeev Aggarwal**

**Shri P. Singh**

**Smt. Savita Gupta** Nominee IDBI

**AUDITORS**

**M/s. Alok Mittal & Associates**  
Chartered Accountants  
New Delhi

**BANKERS**

**IDBI Bank Ltd.**

**Oriental Bank of Commerce**

**State Bank of India**

**HEAD OFFICE**

B-1/45, Safdarjung Enclave  
New Delhi - 110 029

**REGD. OFFICE AND WORKS**

9 K.M. Gurgaon Sultanpur Road  
Opp. Daya Vihar, Gurgaon  
(Haryana)

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**ANNUAL GENERAL MEETING ON FRIDAY THE 29TH SEPTEMBER, 2000 AT 11.30 A.M. AT  
9 K.M. GURGAON SULTANPUR ROAD, OPP. DAYA VIHAR, GURGAON (HARYANA)**

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*To facilitate registration, an ATTENDANCE SLIP is enclosed with this report. Shareholders attending the AGM are required to bring it with them and hand it over at the venue.*

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**NOTICE**

Notice is hereby given that the NINETH ANNUAL GENERAL MEETING of the company will be held on Friday, the 29th day of September, 2000 at 11.30 a.m. at Factory Premises at 9 Km Gurgaon Sultanpur Road, Opposite Daya Vihar, Gurgaon, Haryana to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Accounts of the company for the year ended 31st March, 2000 alongwith the Auditor's report and Directors' report thereon.
2. To appoint a director in place of Sh. Rajeev S. Aggarwal, who retires by rotation and being eligible offers himself to be re-appointed.
3. To appoint Auditors and fix their remuneration.

By the order of the Board  
for HANSAFLON PLASTOCHEM LTD.

Date : 9.8.2000  
Place : New Delhi

Sd/-  
(S.K. GUPTA)  
Managing Director

**NOTES:**

1. A member is entitled to attend & vote is entitled to appoint a proxy to attend & vote instead of himself and proxy need not be a member. The proxies to be effective should be received by the Company not later than 48 hours before the above said meeting.
2. Register of Members and the Share Transfer Books of the company shall remain closed from 22nd September, 2000 to 29th September, 2000. (both days inclusive).
3. Shareholders seeking any information with regard to accounts are requested to write to the company atleast ten days in advance so as to enable the company to keep the information ready.
4. Members who are holding shares in indential order of name are requested to write to the company to enable the company to consolidate their holding in one folio.
5. The members are requested to :
  - a) Intimate to the Company changes, if any, in their Registered Addresses at an early date.
  - b) Quote Ledger Folio numbers in all the correspondence.
  - c) Bring the copy of the Annual Report and Attendance Slip with them to the Annual General Meeting.

**Hansaflon Plastochem Ltd.****DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Ninth Annual Report together with audited accounts of the company for the period ended 31st March, 2000.

**FINANCIAL RESULTS**

Rs. in Lacs

PARTICULARS	Year Ended 31.03.2000	Period Ended 31.03.1999
1. Sales/Income from Operations and other income	511.35	1215.60
2. Total Expenditure	544.81	1192.59
3. Interest	188.72	150.48
4. Gross Profit after interest but before depreciation and taxation	(222.18)	(127.47)
5. Depreciation	214.34	228.77
6. Provision for Taxation	—	—
7. Income Tax Paid for Previous Year	—	—
8. Net Profit/Loss	(436.52)	(356.23)
9. Paid up Equity Share Capital	838.44	838.44

**STATE OF AFFAIRS OF THE COMPANY**

During the year under review, company's sales performance was below expectations. Liberalisation of imports, reduction in import duties and consequent availability of cheap substitute has led to fierce competition and price under cutting. This has badly effected our company and severely eroded profit margins and volume of sales. Your company suffered major losses on account of depreciation and interest burden. Cash loss accounts for about 10% of total annual losses. This is due to below capacity production coupled with increase in electricity, diesel and labour cost. This has resulted in increase in overhead and consequent losses.

Your company is cutting down heavily on all fringe expenses. Extra efforts are being put in to generate new market and focus in core areas and curtail activities with low gains and high overhead.

Company has located raw material mines for MgO Initial trials of this material are satisfactory and being very cheap, company hope to very competitive in MgO area and shall be in a position to gain major market share of India with new Raw Magnesite inspite of tough competition from imports.

Your company is very hopeful for future and should be able to reduce loss in this year financial year because of core competence.

**DIVIDEND**

Your directors do not recommend any dividend for the year 1999-2000.

**FIXED DEPOSITS**

The company has not accepted any fixed deposits during the financial year under review.

**DIRECTORS**

Sh. Rajeev S. Aggarwal will retire by rotation at the ensuing Annual General Meeting and being eligible he offers himself for re-appointment. The Board recommends his re-appointment.

During year in review Mr. Pulkit Garg, who has been Director of your company since beginning has tendered his resignation due to personal reasons. Board of Directors in their meeting has accepted his resignation and placed on record appreciations

for the services rendered by Sh. Garg. Board has also appointed Sh. Parshottam Singh as Director in place of Sh. Pulkit Garg.

#### **AUDITORS**

M/s. Alok Mittal & Associates, Chartered Accountants, retires at the conclusion of ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The company has received certificate from the Auditors to the effect that the re-appointment, if made, would be within prescribed limits under section 224 (1) of the Companies Act, 1956. The Board recommend their re-appointment.

#### **EMPLOYEES**

In accordance with the requirement of Section 217(2A) of the Companies Act, 1956 read with Companies (particular of employees) Rules 1975 there was no employee who was :

- a) If employed through out the financial year was in receipt of remuneration for the year which, in aggregate, was Rs. 3,00,000/- or more.
- b) If employed for a part of Financial Year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was Rs. 25,000/- per month or more.

#### **ENERGY TECHNOLOGY & FOREIGN EXCHANGE**

- a) Conservation of Energy : Various steps have been taken to ensure judicious consumption of electrical energy by improved house keeping, installing power saving devices, monitoring the use of electrical lights and equipments, improvement of power factor, indoor shop lighting etc.
- b) Technology absorption : The company has technical collaboration arrangements with M/s. Eckard Zulch GmbH & Co., Germany and M/s. Akzo Nobel, Italy. The company has absorbed the technology. Presently plant operations are running independently and collaborators experts are called as and when need arises. The company has taken appropriate and effective steps to counter Y2K Problem.
- c) Research & Development : The company established an in house laboratory with modern facilities to carry out intensive analysis of variety of raw materials. During the year under consideration, continuous efforts were made for upgradation of the products of your company.
- d) Foreign Exchange earnings & outgo : The total foreign exchange outgo during the year was Rs. 3,50,492/- towards import of raw materials, components and travelling. During the year foreign exchange earning were Rs. nil. The details of it are given in the notes of accounts, which forms a part of the annual report.

#### **INDUSTRIAL RELATIONS**

Relations with the staff members and the workforce continued to be cordial and satisfactory during the year under consideration.

#### **ACKNOWLEDGEMENT**

Your Directors place on record their sincere appreciations for the assistance and co-operations received from Central Government, State Government, Financial Institutions and Banks. The Board also appreciates energetic performance of the employees at all levels.

On behalf of the Board of Directors

**Date** : 09-08-2000

**Place** : New Delhi

Sd/-  
**(S.K. GUPTA)**  
Managing Director

**Hansaflon Plastochem Ltd.**

**AUDITORS' REPORT**

To the members of Hansaflon Plastochem Limited.

We have audited the attached Balance Sheet of Hansaflon Plastochem Limited as at 31st March, 2000 and also the Profit & Loss Account of the Company for the year ended in 31st March, 2000 annexed thereto and, report that:

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Sec. 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above:
  - a) We have obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purpose of the audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from examination of the books;
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
  - d) i. As stated in Note 6 of the Notes forming part of the Accounts, Debtors/Directors/advances are subject to reconciliation/confirmation.
  - ii. As stated in Note 8 of the Notes forming part of the Accounts, company has not transferred Rs. 21,956.22 from the unpaid dividend account to the General Revenue Account of the Central Government in pursuance to sub section (5) of section 205A of the Companies Act, 1956.
  - iii. Subject to the matters referred to in paragraph d(i) and (ii) above, in our opinion, and to the best of our information and according to the explanation given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
    - i) In the case of Balance Sheet, the state of the affairs of the Company as at 31st March, 2000, and
    - ii) In the case of Profit & Loss account, of the Loss of the Company for the year ending 31st March, 2000.

For **ALOK MITTAL & ASSOCIATES**  
Chartered Accountants

Date : 09-08-2000  
Place : New Delhi

Sd/-  
**ALOK K. MITTAL**  
(Partner)