

T W E L V E T H

*Annual
Report
2000-2001*

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INNOVATIVE

TECH PACK LIMITED

INNOVATIVE TECH PACK LIMITED

BOARD OF DIRECTORS

Chairman

Mr. P.S. Ramamohan Rao

Managing Director

Mr. K. Sayaji Rao

Director

Dr. P. A. Arimilli

AVM (Retd) R.K. Malhotra

Mr. Y.K. Bhatia

(Nominee of HSIDC)

Mr. S. S. Virdi

(Nominee of HFC)

ASST. GENERAL MANAGER (ADMN.)**CUM COMPANY SECRETARY**

Mr. Amrit Jiwan

AUDITORS

Bhandari Gupta & Associates

202, Raj Tower 1, G-1

Alaknanda Community Centre

New Delhi-110 019.

BANKERS

Punjab National Bank

Nehru Place

New Delhi - 110 019.

REGISTERED OFFICE

51, Roz-Ka-Meo Industrial Area

Sohna, Distt. Gurgaon

Haryana.

CORPORATE OFFICE

1109-1110, Chiranjiv Tower

43, Nehru Place

New Delhi - 110 019.

FACTORIES1. 51, Roz-Ka-Meo Industrial Area
Sohna, Distt. Gurgaon, Haryana2. 33, Roz-ka-Meo Industrial Area
Sohna, Distt. Gurgaon
Haryana

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INNOVATIVE TECH PACK LIMITED

NOTICE

Notice is hereby given that the Twelveth Annual General Meeting of the members of Innovative Tech Pack Ltd. will be held on Monday, the 2nd July, 2001 at 10.00 A.M. at 51, Roz Ka Meo Industrial Area, Sohna, Distt. Gurgaon, Haryana to transact the following business.

ORDINARY BUSINESS

1. To receive consider and adopt the Balance sheet as at 31st March, 2001, Profit & Loss Account of Company for the year ended on that date and report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. P.S. Ramamohan Rao, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and authorise Board of Directors to fix their remuneration.

By order of the Board
for INNOVATIVE TECH PACK LTD.

Place : New Delhi
Date : 12th May, 2001

(AMRIT JIWAN)
COMPANY SECRETARY

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HRS. BEFORE THE MEETING.
2. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company during office hours on all working days between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.
3. The Register of Members and share transfer books shall remain closed from 27-6-2001 to 30-6-2001 (both days inclusive) for the purpose of the Annual General Meeting.
4. Shareholder desiring any information with regard to Accounts are requested to write to the company atleast 10 days before the meeting so as to enable the management to keep the information ready.
5. Member/Proxies should bring the Attendance ship duly filled in for attending the meeting.

By order of the Board
for INNOVATIVE TECH PACK LTD.

Place : New Delhi
Date : 12th May, 2001

(AMRIT JIWAN)
COMPANY SECRETARY

DIRECTOR'S REPORT

1. Your Directors are pleased to present you the 12th Annual Report of your Company alongwith the Audited Statements of Accounts for the year ended 31.03.2001.
2. **Financial Results and performance overview:-**
 - i) During the Financial year 2000-2001, your Company achieved turnover of Rs.1204.80 lacs for PET Bottles & Jars etc (Rs 1410.72 Lacs for the same products last year.)
 - ii) A summary of the financial results is given below :

	(Rs. in lacs)	
	31.03.2001	31.03.2000
Sales	1204.80	1410.72
Expenses	1693.54	1468.32
Profit before Depn. & Tax	(484.92)	(74.44)
Depreciation	110.46	109.92
Profit/(Loss) before prior period adjustment and tax	595.39	184.37
Prior period adjustment	1.14	2.81
Profit/(Loss) before tax	(596.53)	(187.18)
Tax	16.72	Nil
Net Profit/(Loss)	(613.26)	(187.18)

- (iii) Due to very low demand of company's product coupled with very low capacity utilisation, our operations were unremunerative.
- (iv) Your company suffered a loss of Rs. 613.26 lacs for the year 2000-01 as against a loss of Rs. 107.18 lacs in the previous year 1999-2000 due to the following :-
 - a) The Company's profitability further got effected due to stiff competition from unorganised sector operating with imported Chinese machines procured at low capital cost and low conversion cost. Moreover these units are out of Excise net being SSI or otherwise. The Company had to reduce prices of its final products to remain competitive in the market in view of availability of cheap and low quality bottles and Jars blown on Chinese Machines.
 - b) During the year, there has been a considerable increase in the prices of raw material (from average Rs 44.46 per Kg to average Rs 52.49 per Kg) by around 18% as compared to last year. This has lead to the increased cost of production and squeezing of margin affecting thereby the profitability of the Company.
 - c) The cost of Diesel has also increased during the year by 18.6% (from Rs. 13.91 to Rs. 16.50) per litre having its adverse impact on company's bottom line.
 - d) The Central Excise department has raised the demand on your company as under :
 - (i) Rs. 148.02 lacs for excise duty, penalty and interest on a/c of excise not deposited by your company on packing material being supplied by it's customers free of charge.
 - (ii) Rs. 95.71 lacs for excise duty, penalty and interest on account of extra modvat claimed by your company.
 - (iii) Rs. 32.12 lacs on account of excise duty penalty and interest for availment of exemption for clearances make from its unit situated at 33, Roz Ka Meo Industrial Area, Sohna, Gurgaon under notification no. 5/99.
 - (iv) Rs. 43.62 lacs on account of cost of freight and insurance on outward goods not included in the cost of goods.

3. REFERENCE TO BIFR

This is to inform the members of the company that the networth of the company has been completely eroded and this is mandatory on part of the company to make reference to BIFR under section 15 (1) of SICA and your Board of Directors has felt it expedient to make the reference.

4. FUTURE OUTLOOK

The wave of economic liberalisation over the last few years has brought the almost one billion strong Indian population into the global market place. Liberalisation of economy has also reached Plastic Processing Industry and with the signing of WTO agreement, most of plastic products are under OGL. The Plastic Industry is growing. This year witnessed 12% growth and it is likely that per capita consumption is likely to go up from present 2.6 kgs to 6 kgs within next three years.

PET Bottle packaging which constitute 10 to 12% of total soft drinks market is likely to go upto 15% this year. The phenomenal success of PET Bottle packaging has helped the Soft Drinks manufacturers to reorient their marketing and advertising strategies to address changing market scenario by experimenting with PET bottle sizes to expand their market share. Fast moving Consumer Goods (FMCG) segment is the single largest consumer of Plastics packaging covering 1/3rd of total plastic packaging demand. With changing life styles new market segments are being introduced every day. Plastics have made it easier for Companies to come up with brand variants and line extensions for consumers from different economic strata. The economy is progressing and we are coming out of Industrial recession. In general the demand for products has increased considerably but its impact on prices is yet to come.

During the year the Management took various steps to control costs by identifying unproductive administrative expenditure in different functional areas. The thrust on cost reduction is being continued and its full impact will be reflected in the results of the Company in the current year.

Your Company is also taking suitable steps to increase the optimum use of its installed capacity and hope that it will improve its bottom line during the current year.

5. The members are hereby informed that PNB has filed a suit in DRT for recovery of their dues. The company is negotiating with the bank for amicable solution.

6. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO

As required by Companies (Disclosures of particulars in the Report of Board of Directors Rules, 1988), the relevant data pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure A to this report.

7. DIRECTORS

- a) Mr. P.S. Ramamohan Rao, Director will retire by rotation at the forth-coming Annual General Meeting and being eligible, offers himself for reappointment. During the year HSIDC had withdrawn the nomination of Sh. R.K. Gupta. Your Directors place on records valuable guidance provided by him during his tenure as director.

INNOVATIVE TECH PACK LIMITED

- b) Mr. Y.K. Bhatia is a Nominee Director of HSIDC. He has been appointed as nominee Director during the current financial year. He has confirmed that the necessary information is being sent to the company soon.
8. **AUDITORS AND THEIR OBSERVATIONS**
M/s Bhandari Gupta & Associates, Chartered Accountants, New Delhi, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The Company has received Certificate from them u/s 224 (1B) of the Companies Act, 1956. The observations in the Auditors report are clarified wherever necessary in the notes attached to the accounts at the appropriate place.
9. **FIXED DEPOSITS**
Your Company has not accepted any Fixed Deposits from the Public during the year under review.
10. **ACKNOWLEDGEMENTS**
Your Director wish to place on record their deep appreciation of the continued support and cooperation received from Haryana State Industrial Development Corporation Ltd., Haryana Financial Corporation, Government of Haryana, Company's Bankers M/s Punjab National Bank and the States and Central Governments. The Board also records its warm appreciation for the dedicated services rendered by the employees of the Company.

ANNEXURE 'A' TO DIRECTORS REPORTS

Particulars as required under Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March 2001.

1. **CONSERVATION OF ENERGY**
In all the divisions of the Company there is a conscious and concerted drive towards conservation of energy in all its forms. Installation of forced air draft system, replacement of worn-out wires, control of idle running of engines and plugging of leakages were some of the measures taken to conserve energy during the year. Besides the measures already taken, efforts are continuing to examine and implement fresh proposals for further conservation of energy. Positive impact of measures already taken has been felt on the cost of production. Form A requiring disclosure of particulars with respect of conservation of energy is not applicable in the case of our industry/ Company.
2. **RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**
- a) **RESEARCH DEVELOPMENT**
The company has indigenously developed moulds thereby saved precious foreign exchange.
- b) **TECHNOLOGY ABSORPTION**
The technology imported from Japanese and French Collaborators have been well absorbed by the Company and are being updated on a regular basis by keeping abreast of the latest developments in the field.
3. **FOREIGN EXCHANGE EARNINGS AND OUTGO**
The company has not earned any income in foreign exchange during the year under report.

The expenditure incurred by Company in foreign exchange is as follows :-

On Raw Material (Preforms)	Rs	460868.00
On Foreign Travelling	Rs	133604.00
On Moulds	Rs	153879.00
(Advance given)		

ANNEXURE B TO DIRECTORS REPORTS

Statement of particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules 1975, as amended from time to time form part of the Directors' Report for the year ended 31st March 2001.

Sl. No.	Name of employee	Qualification	Designation	Date of joining	Gross Remuneration Rs.	Age	Past employment
1.	K.S. Rao	MBA	M.D.	1.08.90	8,64,000	41	Nil

1. Remuneration includes Basic salary, HRA, Medical reimbursement, Leave Travel Assistance.
2. The conditions of employment are contractual.

On Behalf of the Board

Date: 12.05.2001
Place: New Delhi

K. SAYAJI RAO
Managing Director

AVM (Retd.) R.K. MALHOTRA
Director