

## 8TH ANNUAL REPORT 1996-97

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IRPLAST ADHESIVES INDIA LIMITED



# BOARD OF DIRECTORS

Mr. P.K. Nanda  
*Chairman*

Mr. Abhey Yograj  
*Vice Chairman*

Mr. Sharad Raizada  
*Managing Director*

Mr. P.R. Latey

Mr. Giriam M Patel

Mr. A.G. Karmali

Mr. M.S. Bhatia  
*IFCI Nominee*

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## NOTICE

NOTICE is hereby given that the EIGHTH ANNUAL GENERAL MEETING of the members of IRPLAST ADHESIVES INDIA LTD will be held on Tuesday, the 25th day of November, 1997 at 9.30 A.M. at Field Hostel, HUDA, Roz-Ka-Meo, Sohna (Distt.) Gurgaon-122 103, Haryana to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Abhey Yograj who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s G.S. Kohli & Co., Chartered Accountants, as Statutory Auditors who have confirmed that their appointment if made, would be within the limits specified Under Section 224(1B) of the Companies Act, 1956 for the Financial Year 1997-98 from the conclusion of this meeting until the conclusion of the next Annual General Meeting in place of the retiring Auditors, M/s S.R. Batliboi & Co., Chartered Accountants who have expressed their inability to continue to be re-appointed and to authorise Board to fix their remuneration.

### SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification(s), the following resolutions:

#### 4. As an Ordinary Resolution

"RESOLVED THAT Mr. A.G. Karmali be and is hereby appointed as Director of the Company."

#### 5. As an Ordinary Resolution

"RESOLVED THAT Mr. Sharad Raizada be and is hereby appointed as Director of the Company."

#### 6. As an Ordinary Resolution

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Financial Institutions and other approvals as may be required, consent of the Company be and is hereby accorded for the appointment of Mr. Sharad Raizada as the Managing Director of the Company for a period of 5 (Five) years with effect from 1.10.1997 on the following terms and conditions and remuneration:

1. Basic Salary : Rs.25,000/- (Rupees Twenty Five Thousand only) per month.
2. Housing : Free un-furnished accommodation or rent allowance in lieu thereof, in either case not exceeding Rs.15000/- per month.
3. Medical Reimbursement : Expenses incurred for self and family subject to the ceiling of one month's salary per year or three months' salary in a period of three years.
4. Leave Travel Concession : For self and family once in a year in accordance with the rules of the Company.
5. Provident Fund and Super-annuation fund : As per rules of the Company.
6. Gratuity : As per rules of the Company but not exceeding half a month's salary for each completed year of service.
7. Car : Facility of Car with driver.
8. Telephone : Telephone at residence.
9. Leave : As per rules of the Company.



Personal long distance Calls on telephone and use of Car for private purpose shall be billed by the Company.

Reimbursement of entertainment expenses, travelling and all other expenses actually and properly incurred for the purpose of Company's business.

No sitting fee shall be paid for attending the meeting of Board of Directors or Committee thereof.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms & conditions, remuneration and perquisites including the monetary value thereof as specified above, to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with any provision(s) under the Companies Act, 1956 or Schedule XIII appended thereto, for the time being in force or any statutory modification(s) or re-enactment thereof and/or any rules or regulations permitted thereunder".

"RESOLVED FURTHER THAT the remuneration as aforesaid shall be paid as minimum remuneration for any year in the case of absence or inadequacy of profits for such year".

By Order of the Board of Directors  
For IRPLAST ADHESIVES INDIA LIMITED

Place : New Delhi  
Date : 20th October, 1997

SATYENDER KUMAR  
Company Secretary

#### NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No.4 to 6 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN PLACE OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The proxy form duly executed must be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting, in default whereof the instrument shall not be treated as valid.
4. Members are requested to notify the correction/ change in address quoting their Folio Numbers.
5. Any member desirous of obtaining any information/ clarification on the enclosed accounts should submit the query in writing at the Registered Office of the Company at least 10 days before the date of the meeting.
6. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
7. Members are requested to bring the attendance slip duly completed at the meeting.
8. Members are requested to bring their copy of Annual Report alongwith them at the meeting.
9. Pursuant to the provisions of Section 154 of the Companies Act, 1956 the Register of Members and Share Transfer Books of the Company shall remain closed from 21st November, 1997 to 25th November, 1997 (both days inclusive).
10. The Company shall provide conveyance facility on the date of Annual General Meeting from Dhaulakuan (Inter State Bus Stop) at 7.45 A.M.



### **Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956**

#### **Item No. 4**

Mr. A.G. Karmali was appointed as an Additional Director by the Board w.e.f. 1st February, 1997.

Pursuant to Article 89 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Mr. A.G. Karmali holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. A.G. Karmali as a Director of the Company alongwith a deposit of Rs. 500/-.

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. A.G. Karmali is interested in the resolution.

#### **Item No. 5 & 6**

Mr. Sharad Raizada was appointed as an Additional Director by the Board w.e.f. 30th September, 1997 and was appointed as Managing Director for a period of 5 years w.e.f. 1.10.1997 subject to the approval of the Company in General Meeting. His remuneration was fixed at the Board meeting held on 30th September, 1997 and a letter of appointment has been issued to him.

Mr. Sharad Raizada is holding a Master Degree in Arts and is having over 20 years of experience in the Packaging and other Industry. It is in the interest of the Company to have him as the Managing Director.

The Managing Director will carry out such duties and exercise such powers as may be entrusted to him by the Board of Directors subject to the supervision, superintendence and control of the Board.

Pursuant to Article 89 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Mr. Sharad Raizada holds office as an Additional Director upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Sharad Raizada as a Director of the Company alongwith a deposit of Rs. 500/-.

The proposed resolution set out at Item No. 6 and this explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. Sharad Raizada as Managing Director in terms of Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Sharad Raizada is interested in the resolution.

By Order of the Board of Directors  
For IRPLAST ADHESIVES INDIA LIMITED

Place : New Delhi  
Date : 20th October, 1997

SATYENDER KUMAR  
Company Secretary



## DIRECTORS' REPORT

Your Directors present their Eighth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1997.

### FINANCIAL RESULTS & OPERATIONS

Sales for the year under review, net of returns and claims & discounts were Rs. 337.72 lakhs as against Rs. 382.12 lakhs for the year ended 31st March, 1996. During the year under review, the Company for the first time executed an export order of Rs. 12.12 lakhs to Nigeria.

For the reason of continuing shortage of working capital and consequent failures to meet the demand generated through improved marketing, sales have lagged way behind the Company's target.

During the year under review the Company has completed consultancy contract and earned an Income of Rs. 227.81 lakhs. After taking into account Consultancy Income of Rs. 227.81 lakhs and interest received of Rs. 32.97 lakhs, the loss for the year was Rs. 67.09 lakhs.

The proceeds of Rights Issue together with inflow of consultancy income referred to above was utilized towards repayment of negotiated one time settlement with the Financial Institutions.

### FIXED DEPOSITS

The Company has not accepted any fixed deposits from the Public or Shareholders or Employees.

### DIRECTORS

Mr. Abhey Yograj retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Paresh Kotecha resigned from the Board w.e.f. 25.11.1996. The Board wishes to place on record its deep appreciation for the valuable services rendered by Mr. Kotecha during his tenure as director of the Company.

Mr. A.M. Bhide resigned as Managing Director from the Board of Directors w.e.f. 30.6.1997. The Board wishes to place on record its deep appreciation for the valuable services rendered by Mr. Bhide during his tenure as Managing Director of the Company.

Mr. V.P. Sharma who was appointed as an Additional Director on the Board on 1.2.1997, resigned from Board w.e.f. 20.10.1997 due to his pre-occupation. The Board wishes to place on record its deep appreciation for the valuable services rendered by Mr. Sharma during his tenure as director of the Company.

Mr. A.G. Karmali was appointed as an Additional Director on the Board on 1st February, 1997 and holds office upto the date of ensuing Annual General Meeting. The Company has received a notice alongwith a deposit of Rs. 500/- (Rupees Five hundred only) from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the post of Director.

Mr. Sharad Raizada was appointed as an Additional Director on the Board on 30th September, 1997 and holds office upto the date of ensuing Annual General Meeting. The Company has received a notice alongwith a deposit of Rs. 500/- (Rupees Five hundred only) from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the post of Director. Mr. Sharad Raizada was appointed as Managing Director w.e.f. from 1st October, 1997 subject to the approval of Members in the ensuing General Meeting.

### AUDITORS' REPORT

All notes to accounts are self explanatory.

### AUDITORS

M/s S.R. Battiboi & Co., Chartered Accountants, the retiring Auditors of the Company have expressed their inability to continue to act as Statutory Auditors of the Company. M/s. G.S. Kohli & Co., Chartered Accountants have confirmed their eligibility to be appointed as Statutory Auditors of the Company as per the provision of Section 224 (1B) of Companies Act, 1956. The Board recommends their appointment as Statutory Auditors for the Financial Year 1997-98.

### PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the required particulars are given in the Annexure forming part of this report.



### CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 'A', forming part of this report.

Financial Institutions, Company's Bankers and Collaborators.

The Board also wishes to place on record its deep appreciation of the contribution made by the employees at all levels.

For and on Behalf of the Board

### APPRECIATION

Your directors place on record their appreciation for cooperation, assistance and support extended by the

Abhey Yograj  
Vice Chairman  
Sharad Raizada  
Managing Director  
New Delhi  
20th October, 1997

### ANNEXURE TO THE DIRECTORS' REPORT

Information Under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 1997.

Name	Age (Years)	Designation/ Nature of work	Gross Remuneration (Rs.)	Qualifications and experience	Date of Commencement of employment	Particulars of last employment
(Employed for part of the year)						
1. Mr. P.N. Khanna*	60	Managing Director	2,34,306	B.A.(Hons.) 35 years	1st June 1994	Biax Ltd. Vice President
2. Mr. A.M. Bhide**	52	Managing Director	3,54,387	B.A.(Hons.) 31 years	28th May 1996	Industrial Consultancy Services Chief Executive

\* Resigned & relieved w.e.f. 15.11.96.

\*\* Appointed as Executive Director w.e.f. 28.05.96 and promoted as Managing Director w.e.f. 01.02.97.

- Notes: 1. Remuneration includes salary and monetary value of perquisites.  
2. Employment is contractual.  
3. None of the employees mentioned above is a relative of any Director of the Company.

For and on behalf of the Board

Abhey Yograj  
Vice Chairman  
Sharad Raizada  
Managing Director

**ANNEXURE 'A' TO DIRECTORS' REPORT**

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

**A. Conservation of Energy**

The thermic fluid thermopack has been installed to generate heat to the vessel for preparation of adhesives and its application to the film which is more energy efficient than ordinary steam boiler.

(Particulars of total energy consumption and energy consumption per unit of production as per Form A, have not been provided as our industry is not specified in the schedule).

**B. Technology Absorption****FORM B**

Disclosure of particulars with respect to Technology absorption

**i) Research and Development (R&D)**

1. Specific areas in which R&D : None carried out by the Company
2. Benefits derived as a result : N.A. of the above R&D
3. Future plan of action : Not at present
4. Expenditure on R&D
  - a) Capital : Nil
  - b) Recurring : —
  - c) Total R&D expenditure : — as a percentage of total turnover

**ii) Technology Absorption, Adaptation and Innovation**

1. Efforts in brief, : Acquisition of plant & made towards technology machinery as per absorption, adaptation and detailed specifications innovation provided by collaborators towards quality control systems for ensuring consistent quality and reliability as per Irplastnastri's standards.

2. Benefits derived as a result of the above efforts e.g., product development, import substitution, etc. : Introduction of superior quality of self adhesive tapes in the domestic market.

3. In case of imported technology following information may be furnished.

- a) Technology imported : BOPP film coated with Hotmelt adhesive by die extrusion process.
- b) Year of Import : Technical collaboration agreement was effective from 1989. Commercial production commenced on 1st November, 1992.
- c) Has technology been fully absorbed : The process of technology absorption has been completed.
- d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plan of action. : Not applicable

**C. Foreign Exchange Earnings and Outgo:**

	(Rs. in Lakhs)	
	Current Year	Previous Year
a) Foreign Exchange Earnings:		
i) Consultancy	227.81	160.00
ii) FOB Value of Exports	12.12	Nil
b) Expenditure in Foreign currency:		
i) Overseas Traveling	Nil	3.09
ii) Royalty (Net of Tax)	3.63	Nil
c) CIF value of imports		
i) Raw materials	62.15	45.12
ii) Spare parts	3.34	0.15

For and on behalf of the Board

Abhey Yograj      Sharad Raizada  
Vice Chairman      Managing Director

New Delhi  
20th October, 1997