

9TH ANNUAL REPORT 1997 - 98



PLEASE NOTE THAT NO GIFT WHATSOEVER WILL BE DISTRIBUTED TO SHAREHOLDERS AT THE A.G.M.

Page



BOARD OF DIRECTORS

Mr. P.K. Nanda *Chairman*

Mr. Sharad Raizada Managing Director

Mr. A.G. Karmali

Mr. Giriam M. Patel

Mr. M.D. Gujrati

Mr. P.R. Latey

Mr. M.S. Bhatia IFCI Nominee

BANKERS Allahabad Bank

AUDITORS G. S. Kohli & Co.

REGISTERED & CORPORATE OFFICE Plot NO. 7, Roz-Ka-Meo, Industrial Area,

Sohna - 122 103 Distt. Gurgaon, Haryana

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NOTICE

NOTICE is hereby given that the NINTH ANNUAL GENERAL MEETING of the members of IRPLAST ADHESIVES INDIA LTD will be held on Thursday, the 31st Day of December, 1998 at 9.30 A.M. at Plot No.7, Roz-Ka-Meo, Industrial Area, Sohna - 122103, Distt. Gurgaon, Haryana to transact the following business :

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
- Mr. P.R. Latey retires by rotation at this Annual General Meeting. He has expressed his intention not to offer himself for re-appointment.
- 3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and 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. M.D. Gujrati be and is hereby appointed as Director of the Company".

By order of the Board of Directors for IRPLAST ADHESIVES INDIA LIMITED

	IOF INFLAG	ADHLON	ES INDIA	
Place :	Sohna		Sharad	Raizada
Date :	16th November,	1998	(Managing	Director)

NOTES :

- Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item No.4 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.
- 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 where of the instrument shall not be treated as valid.
- Members are requested to notify the correction/ change in address guoting 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.

- 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 between 11.00 A.M. to 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.
- 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 28th December, 1998 to 31st December, 1998 (both days inclusive).
- The Company shall provide conveyance facility on the date of Annual General Meeting from Rajokari Crossing, National highway No.8, Near Air Force Station, New Delhi at 7.45 A.M.
- 11. PLEASE NOTE THAT NO GIFT WHATSOEVER WILL BE DISTRIBUTED TO SHAREHOLDERS AT THE A.G.M.

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

Item No.4

Mr. M.D. Gujrati was appointed as an Additional Director by the Board w.e.f. 14th September, 1998.

Pursuant to Article 89 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 Mr. M.D. Gujrati holds the 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. M.D. Gujrati 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. M.D. Gujrati is interested in the resolution.

By order of the Board of Directors for IRPLAST ADHESIVES INDIA LIMITED

Place :	Sohna		Sharad	Raizada
Date :	16th November,	1998	(Managing	Director)



DIRECTORS' REPORT

Your Directors present their Ninth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS & OPERATIONS

Sales for the year under review, net of returns and claims & discounts were Rs. 161.31 lakhs as against Rs. 337.72 lakhs for the year ended 31st March, 1997. During the year under review, the Company executed export orders of Rs. 26.37 Lakhs.

For reasons of continuing shortage of working capital and consequent failures to meet demand, sales have been extremely poor. Consequently, a loss of Rs. 278.78 lacs was incurred for the year against a loss of Rs. 67.09 lacs incurred during the previous year.

FIXED DEPOSITS

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

DIRECTORS

Mr. P.R. Latey retires by rotation at the forthcoming Annual General Meeting and has expressed his intention not to offer himself for re-appointment.

Mr. Abhey Yograj resigned from the Board w.e.f. 01.01.1998. The Board wishes to place on record its appreciation for the valuable services rendered by Mr. Yograj.

Mr. M.D. Gujrati was appointed as an Additional Director on the Board on 14.09.1998 and holds office upto the date of ensuing Annual General Meeting. The Company has received a notice along with 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.

AUDITORS' REPORT

All notes to Accounts are self explanatory.

AUDITORS

M/s. G.S. Kohli & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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.

APPRECIATION

Your directors place on record their appreciation for cooperation, assistance and support extended by the Financial Institutions, Company's Bankers and Collaborators.

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

For and on Behalf of the Board

Place : Sohna Date : 16th November, 1998

P.K. Nanda Chairman

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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, 1998

Age	Designation/	Gross	Qualifi	Dete ef	
(Years)	Nature of work	Remun- eration (Rs.)	Qualifi- cations and exp- erience	Date of Commen- cement of employment	Particulars of last employment
the year)					
44	Managing Director	2,82,146	M.A. 21 Years	1.10.1997	Flex Indus Ltd. Executive Mgr. (Mktg.)
52	Managing Director	1,13,877	B.A. (Hons 32 Years	:) 28.5.1996	Industrial Consultancy Services Chief Executive
	the year) 44 52	the year) 44 Managing Director 52 Managing	(Rs.) the year) 44 Managing 2,82,146 Director 52 Managing 1,13,877	(Rs.) erience the year) 44 Managing 2,82,146 M.A. Director 21 Years 52 Managing 1,13,877 B.A. (Hons	(Rs.) erience of employment the year) 44 Managing 2,82,146 M.A. 1.10.1997 Director 21 Years 52 Managing 1,13,877 B.A. (Hons) 28.5.1996

* Resigned & relieved w.e.f. 01.07.97

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.

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For and on Behalf of the Board

P.K. Nanda Chairman



: Introduction of

tapes in the

superior quality

of self adhesive

domestic market

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 asborption

- 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 : Nil c) Total R&D expenditure : Nil as a percentage of total
- ii) Technology Absorption, Adaptation and Innovation.

1. Efforts in brief, made : towards technolgy absorption, adaptation and innovation

turnover

: Acquisition of Plant 8 Machinery as per detailed specifications provided by collaborators towards quality control systems for ensuring consistent quality & reliability as per standards of Irplastnastri.

- Benefits derived as a result of the above efforts e.g., product development, import substitution, etc.
- 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 Technnical collaboration agreement was effecive from 1989. Commercial production commenced on Ist November. 1992. Has Technology been The process of c) fully absorbed. technology absorption has been completed. If not fully absorbed, Not applicable d)
 - areas where this has not taken place, reasons thereof and future plan of action.

C Foreign Exhchange Earnings and Outgo :

		(Rs. In Lakhs)		
		C	Current	Previous
			Year	Year
a)	Foreign Exchange Earnings			
	i) Consultancy	:	0.00	227.81
	ii) FOB Value of Exports	:	26.37	12.12
b)	Expenditure in foreign currency			
	i) Overseas Travelling	:	Nil	Nil
	ii) Royalty (Net of Tax)	:	Nil	3.63
c)	CIF value of imports			
	i) Raw Materials	:	26.04	62.15
	ii) Spare parts	:	2.38	3.34

For and on Behalf of the Board

Place : Sohna	P.K. Nanda
Date : 16th November, 1998	Chairman

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ADVANTAGE HOTMEL

AUDITORS' REPORT

TO THE MEMBERS OF IRPLAST ADHESIVES INDIA LTD.

We have audited the attached Balance Sheet of Irplast Adhesives India Limited as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date annexed thereto and report that in our opinion and as per the information and explanations furnished to us and the books and records examined by us in the normal course of audit :

- Although the records of fixed assets have been maintained by the company, the same are not complete. Physical verification of Fixed Assets has not been carried out during the year and as such, the discrepancies therein, if any, as compared to the book records could not be ascertained.
- 2. None of the fixed assets have been revalued during the year.
- 3. (i) Physical verification has been conducted by the management at the close of the year in respect of finished goods, stores and spare parts and raw materials, except those lying with outside parties.
 - (ii) The discrepancies noticed on verification of stocks as compared to book records have been properly dealt with in the books of accounts.
 - (iii) The procedures followed by the management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (iv) On the basis of our examination, we are satisfied that the valuation of these stocks is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as followed in the earlier years.
- 4. The Company has taken unsecured loans from the Companies, firms and other parties listed in the register maintained u/s 301 of the Companies Act, 1956. In our opinion, the rate of interest and other terms and conditions on

which unsecured loans have been taken from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company. As explained to us, there is no Company under the same management as defined u/s 370 (IB) of the Act.

- 5. The Company has not granted any loans to Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
- 6. Interest free loans and advances in the nature of loans have been given to employees and the same are generally being recovered as per stipulations, wherever made.
- 7. The Company has purchased certain imported raw materials which are stated to be of proprietory nature and hence. no comparison of prices can be made in such cases. Further the internal control procedures required to be improved upon to make it reasonable and adequate commensurate with the size and nature of Company's business with regard to purchase of fixed assets, raw materials, stores and spare parts and for sale of goods.
- 8. In our opinion and according to the information and explanations given to us there are no transactions of purchase of goods and materials and sale of goods, material and services made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party.
- 9. As explained to us, the Company has a regular procedure for the termination of unserviceable or damaged stores, raw materials and finished goods. The Management has certified that adequate provision has been made in the accounts for the loss arising in respect of the items so determined.
- The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the rules farmed thereunder.