

MD	✓		✓
CS	✓		✓
RO	✓		✓
TRA	✓	✓	✓
ACM	✓	✓	✓
YE	✓	✓	✓

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

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

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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

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

**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

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

* 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.

For and on Behalf of the Board

P.K. Nanda
Chairman

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

ii) Technology Absorption, Adaptation and Innovation.

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

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 thereof 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	: 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
Date : 16th November, 1998

P.K. Nanda
Chairman



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 :

1. 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 proprietary 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.
10. The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the rules framed thereunder.