

**10<sup>TH</sup>**  
**ANNUAL REPORT**  
**1998-99**



**IRPLAST ADHESIVES INDIA LIMITED**

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



## **IRPLAST ADHESIVES INDIA LIMITED**

### **BOARD OF DIRECTORS**

Mr. P.K. Nanda  
Chairman  
Mr. M.D. Gujrati  
Mr. Giriam M. Patel  
Mr. Akhilesh Agrawal  
(Alternate Director in place  
of Mr. Giriam M. Patel)  
Mr. M.S. Bhatia  
IFCI Nominee

### **BANKERS**

Allahabad Bank  
ICICI Banking Corporation Ltd. Gurgaon.

### **AUDITORS**

G.S. Kohil & Co.  
Chartered Accountants  
New Delhi.

### **REGISTERED & CORPORATE OFFICE**

Plot No. 7, Roz-Ka-Meo, Industrial Area,  
Sohna - 122 103 Distt. Gurgaon, Haryana.

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**IRPLAST ADHESIVES INDIA LIMITED****NOTICE**

NOTICE is hereby given that the Tenth Annual General Meeting of the members of the Company will be held on Saturday the 20th day of November, 1999 at 10.00 AM at Plot No.7, Roz-Ka-Meo, Industrial Area, Sohna- Distt., Gurgaon, Haryana to transact the following business :-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. Mr. A. G. Karmali retires by rotation at this Annual General Meeting. He has expressed his intention not to offer himself for re-appointment.
3. To appoint M/s Sanjeev Tayal & Associates, Chartered Accountants, as statutory Auditors who have confirmed that their appointment if made, would be within limits specified under section 224 (1B) of the companies Act, 1956 for the financial year 1999-2000 from the conclusion of this meeting until the conclusion of the next Annual General Meeting in place of the retiring Auditors M/s G.S. Kohli & Co., Chartered Accountants and to authorise the Board to fix their remuneration.  
To consider and if thought fit to pass the following resolution with or without modification, as ordinary resolution.

"RESOLVED that M/s Sanjeev Tayal and Associates, Chartered Accountants be and are hereby appointed as auditor of the company to hold office until the conclusion of the next Annual General Meeting."

"RESOLVED FURTHER that Board of Directors be and are hereby authorised to fix their Remuneration."

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass the following Resolution with or without modification, as Special Resolution :-

"RESOLVED that under the Authority of Article 61 of the Articles of Association of the Company, pursuant to section 100 of the Companies Act, 1956, and subject to confirmation by the Hon'ble High Court of Punjab & Haryana at Chandigarh, the capital of the Company be reduced from Rs.16,18,05,430.00 (divided into 1,61,80,543 shares of Rs.10 each) to Rs.4,04,51,357.50 (divided into 1,61,80,543 shares

of Rs.2.50 each) and that such reduction be effected by cancelling capital which has been lost or is unrepresented by available Assets, to the extent of Rs.7.50/- per share upon each of the 1,61,80,453 shares which have been issued and by reducing the nominal amount of all the shares in the company's capital from Rs.10/- to Rs.2.50/- per share."

"RESOLVED FURTHER that consequential amendments be made in the capital clause of the memorandum of association of the Company after the said reduction becomes operative and effective."

**NOTES :**

1. Explanatory Statement pursuant to Section 173 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 ON A POLL TO VOTE IN PLACE OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The proxy form duly completed and signed should be deposited at the company's registered office not less than 48 hours before the commencement of meeting, in default where of, 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 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.
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



## IRPLAST ADHESIVES INDIA LIMITED

closed from 16th November, 1999 to 20th November, 1999. (both days inclusive).

10. 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 8.30 AM.
11. A special notice in terms of section 190 of the companies act, 1956 has been received under section 225(1) of the act from a member proposing that the retiring auditor be not be reappointed and in their place M/s Sanjeev Tayal and associates, Chartered Accountants, be appointed.
12. **PLEASE NOTE THAT NO GIFTS WHATSOEVER WILL BE DISTRIBUTED TO SHAREHOLDERS AT THE ANNUAL GENERAL MEETING.**

### EXPLANATORY STATEMENT

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956.

#### ITEM NO. 4

The Company has been incurring continuous losses and the accumulated loss standing in the Balance sheet of the Company is Rs.12,35,02,493/- as on 31.03.99. Since there are no free reserves, the paid-up capital of the Company,

to the extent of Rs.12,35,02,493/- is unrepresented by available assets. Since it is difficult to visualise such favourable circumstances as will allow the accumulated losses to be wiped off, the special resolution is proposed to enable the Company to start afresh.

The proposal is to set off Rs.12,13,54,072.50 out of the accumulated loss of Rs.12,35,02,493/- leaving an insignificant amount of Rs.21,48,420.50 in the Balance sheet. This will leave the same number of shares with the shareholder as they have at present, but the paid up value will be Rs. 2.50 as against Rs. 10 per share. Pursuant to section 100 of the companies Act, 1956, this resolution will be effective after confirmation by the Hon'ble High Court. After the shareholders have passed this resolution, the Company will approach the High Court for its confirmation.

The shares of the company though listed on Mumbai and Delhi stock exchanges, are illiquid due to loss of Capital/ Assets. The reduction in share capital will reflect the true value of shares and also facilitate liquidity in stock Exchange.

None of the Directors are interested in the resolution.

For and on the behalf of the board

PLACE : SOHNA, GURGAON  
DATE : 25th October, 1999

(P. K.NANDA)  
CHAIRMAN

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## IRPLAST ADHESIVES INDIA LIMITED

### DIRECTOR'S REPORT

Your Directors present their Tenth Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 1999.

#### FINANCIAL RESULTS & OPERATIONS

The Company virtually ceased its operational activity at the very start of the year for reasons later described. Consequently, Sales for the year under review, net of returns and discounts, were only Rs.36.33 Lacs as against Rs.161.31 Lacs for the year ended 31st March 1998.

A Loss of Rs.152.69 Lacs was incurred against a loss of Rs.278.78 Lacs in the previous year.

#### OPERATIONAL CLOSURE

As reported last year, non-availability of working capital, long overdue debts by customers not being paid, leading to huge provisions in the Accounts, and the consequent failures in meeting customers orders and in providing service to them, led to extremely low activity. That in turn made it impossible to pay creditors. One of them who claimed a small amount due, initiated legal proceedings, which unknown to the Company were heard ex-parte and the Company's factory was taken over by an Official Liquidator in terms of order dated 20.08.98 of Hon'ble Delhi High Court. That matter was stayed and the factory was reopened later on 09.10.1998. However it was not possible to re-start a viable commercial operation for lack of working funds.

A large number of measures for further cost reduction were taken and only a skeleton operation has been retained.

#### CAPITAL REDUCTION

In order to ensure that the Company is able to re-finance itself, a first step considered appropriate was to wipe off the accumulated loss by reducing the paid-up share capital. A Special Resolution has been proposed for the Shareholder's approval at the Annual General Meeting. The Directors recommend that that the Resolution be approved.

#### FIXED DEPOSITS

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

#### DIRECTORS

Mr. A.G. Karmali retires by rotation at this Annual General Meeting. He has expressed his intention not to offer himself for reappointment.

Mr. Akhilesh Agarwal was appointed as an Alternate Director to Mr. Giriam M. Patel on 27.01.1999.

#### AUDITORS

There is a proposal to appoint M/s Sanjeev Tayal & Associates, Chartered Accountants as the Auditors of the company in place of retiring Auditor M/s G.S. Kohli & Co., Chartered Accountant. We would like to thank M/s G.S. Kohli & Co., the outgoing auditors, for their cooperation, understanding and services rendered to the company during their association as statutory Auditors.

#### PARTICULARS OF EMPLOYEES

There were no employees requiring disclosure in terms of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules 1975.

#### CONSERVATION OF ENERGY AND 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.

#### COMMENTS ON AUDITOR'S REPORT

With regard to certain matters referred to by the Auditors in their report, which occurred due to lack of operational activity, management has initiated corrective steps to ensure full compliance.

#### Y2K COMPLIANCE

The company has taken necessary steps to ensure Y2k compliance for all of its computer systems.

#### CONCLUSION

The Board is mindful of the concern Shareholders have for the Company and their investment. It will do its best to place the Company in a position that will enable it to resume operations or realise value as far as that is possible.

For and on the behalf of the board

PLACE : SOHNA, GURGAON  
DATE : 25th October, 1999

(P. K. NANDA)  
CHAIRMAN

**IRPLAST ADHESIVES INDIA LIMITED****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 : 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 Irplastnatri.
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) Year of Import : BOPP film coated with Hotmetl 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 Earning		
i) Consultancy	0.00	10.00
ii) FOB Value of Exports	0.00	26.37
b) Expenditure in foreign currency		
i) Overseas Travelling	Nil	Nil
ii) Royalty (Net of Tax)	Nil	Nil
c) CIF value of imports		
i) Raw Materials	0.00	26.04
ii) Spare parts	0.00	2.38

For and on the behalf of the board

PLACE : SOHNA, GURGAON  
DATE : 25th October, 1999

(P. K.NANDA)  
CHAIRMAN