

11TH
ANNUAL REPORT
1999-2000



IRPLAST ADHESIVES INDIA LIMITED

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)

BANKERS

Allahabad Bank, New Delhi.
ICICI Banking Corporation Ltd. Gurgaon.

AUDITORS

Sanjeev Tayal & Associates
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 Eleventh Annual General Meeting of the members of the Company will be held on Friday the 15th day of September, 2000 at 10.00 A.M. at the registered office of the company Plot No.7, Roz-Ka-Meo, Industrial Area, Sohna-122103 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, 2000 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. Mr. G. M. Patel retires by rotation at this Annual General Meeting and being eligible offer himself for reappointment.
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.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. 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.
3. Members are requested to notify the correction/change in address quoting their Folio Numbers.

4. 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.
5. 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 the Annual General Meeting.
6. Members are requested to bring the attendance slip duly completed at the meeting.
7. Members are requested to bring their copy of Annual Report at the meeting.
8. 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 12th September, 2000 to 15th September, 2000 (both days inclusive).
9. PLEASE NOTE THAT NO GIFT WHATSOEVER WILL BE DISTRIBUTED TO SHAREHOLDERS AT THE ANNUAL GENERAL MEETING.
10. The Company shall provide conveyance facility on the date of Annual General Meeting from Jaipur—Alwar By-Pass (Rajeev Chowk) Gurgaon at sharp 9.00 A.M.

FOR AND ON THE BEHALF OF THE BOARD

PLACE : Sohna, Gurgaon

DATE : 15.07.2000

(P.K. NANDA)
CHAIRMAN



IRPLAST ADHESIVES INDIA LIMITED

DIRECTORS' REPORT

Your Directors presents the Eleventh Annual Report together with audited statement of accounts for the year ended on 31st March, 2000.

FINANCIAL RESULTS & OPERATIONS

The Company was not able to achieve sales above a marginal Rs. 8.15 Lakhs, compared with Sales of Rs. 36.33 Lakhs of last year, as its operations by and large remained inactive. All efforts to resume full operations were not successful in the absence of funds, settlements with the lenders and consequent inability to arrange all the resources required to manufacture at a reasonable and viable level.

The loss of Rs. 95.27 Lakhs was incurred against the previous year's loss of Rs. 152.69 Lakhs.

Until all arrangements are made for working capital and operational funds, it is not foreseen that full operations will be resumed.

Your Company has reached a final settlement with the Financial Institutions for One Time Payment of Rs. 40 Lacs against their entire dues on Company.

The Company's appeal against withdrawal of Sales Tax exemption by Sales Tax Authority Gurgaon is pending before Hon'ble High Court of Punjab & Haryana, Chandigarh. The final hearing of the case is to take place shortly. Your Directors are hopeful for a favourable decision.

CAPITAL REDUCTION

The case for Capital reduction as approved by the Shareholders at the last Annual General Meeting is in progress at the Hon'ble High Court of Punjab & Haryana, Chandigarh.

FIXED DEPOSITS

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

DIRECTORS

Mr.G.M. Patel retires by rotation at this Annual General Meeting and being eligible offer himself for re-election.

AUDITORS

M/s Sanjeev Tayal & Associates, Chartered Accountants, New Delhi, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Y2K COMPLIANCE

The Y2K transition was smooth and problem free.

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

All notes to Accounts are self explanatory. With regards 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.

CONCLUSION

All efforts are being made by the Board to raise working capital but the results so far have not been satisfactory. The Board will keep the Shareholders advised if any real progress is made.

FOR AND ON BEHALF OF THE BOARD

PLACE : Sohna, Gurgaon

DATE : 15.07.2000

(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 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 controls 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) Year of Import : BOPP film coated with Hot melt adhesive by die extrusion process
- (b) Year of Import : Technical collaboration agreement was effective from 1989. Commercial production has commenced from year 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	0.00
(ii) FOB value of exports	0.00	0.00
(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	0.00
(ii) Spare parts	0.00	0.00

For and on the behalf of the board

PLACE : Sohna, Gurgaon
DATE : 15.07.2000

(P.K. NANDA)
CHAIRMAN

IRPLAST ADHESIVES INDIA LIMITED**AUDITORS' REPORT****TO THE MEMBERS OF
IRPLAST ADHESIVES INDIA LIMITED**

We have audited the attached Balance Sheet of IRPLAST ADHESIVES INDIA LIMITED as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date annexed thereto and report that in our opinion and as per the information/ explanations furnished to us and as per the books and records examined by us in the normal course of audit:

1. Although records of fixed assets have been maintained to show full particulars including quantitative details and situation thereof, the same are incomplete. 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 & 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) In our opinion and so far as appears from the examination of books the valuation of these stocks is fair and proper and in accordance with normally accepted accounting principles except for the inclusion of duties incurred as required by section 145A of the Income Tax Act, 1961 and is on the same basis as followed in the earlier years.
4. The Company has taken interest free unsecured loans from the Companies, and

other parties listed in the register maintained U/s 301 of the Companies Act, 1956. In our opinion, 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(1B) 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. Loans and advances in the nature of loans given by the Company to an ex-employees of Rs. 54,011/- was outstanding as on 31st March, 2000.
7. 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 material, 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 purchases 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.
11. The Company does have an internal audit system which is not commensurate with the size and the nature of its business.