

13TH ANNUAL REPORT 2001- 2002



IRPLAST ADHESIVES INDIA LTD.

**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	<i>Chairman</i>
Mr. Kavir Laroia	<i>Managing Director</i>
Mr. Raman Mehta	<i>Director</i>
Mr. M. D. Gujrati	<i>Director</i>

COMPANY SECRETARY

Mr. Anil Sharma

BANKERS

ICICI Bank Ltd.

AUDITORS

Sanjeev Tayal & Associates
Chartered Accountants
New Delhi.

REGISTERED OFFICE

Plot No. 7, Roz-Ka-Meo, Industrial Area,
Sohna - 122103, Distt, Gurgaon, Haryana

STOCK EXCHANGE LISTING

The Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road
New Delhi - 110 002
The Stock Exchange, Mumbai
Phiroze, Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

Report

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IRPLAST ADHESIVES INDIA LIMITED

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of the Company will be held on Wednesday the 5th day of June, 2002 at 10.00 A.M. at the Registered Office of the Company at Plot No.7, Industrial Area, Roz-Ka-Meo, 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, 2002 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. Mr. P. K. Nanda retires by rotation at this Annual General Meeting and being eligible offers 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.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310,311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, the consent of the Company be and is accorded to the appointment of Mr. Kavir Laroia as the Managing Director of the Company for a period of five years from 1.04.2002 to 31.03.2007 upon the terms and conditions including remuneration as set out in the Agreement to be entered into between the Company and Mr. Kavir Laroia, a draft whereof is placed before the meeting and which for the purpose of identification is initialed by the Chairman, which Agreement is hereby specifically approved with the liberty to the Board of Directors to alter and vary the terms and conditions permitted in accordance with the provisions and Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, the remuneration and perquisites set out in the aforesaid Agreement be paid or granted to Mr. Kavir Laroia as minimum remuneration, provided that in any event the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule XIII of the Companies Act, 1956, and any amendments thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary for the purpose of giving effect to this resolution and matters incidental therein.

By Order of the Board of Directors

Place : Sohna, Gurgaon
Dated : 02-05-2002

(ANIL SHARMA)
Company Secretary

NOTES :

1. 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 ON A POLL TO VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
A proxy form duly completed and signed should be deposited at the registered office of the Company 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 advise immediately any correction / change in address to the Company / Registrar & Share Transfer Agents M/s. Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi - 110015 quoting reference of the Registered Folio Number.
4. If you have shares registered in the same name or in the same order of names but in several Foliros, please let us know so that same can be consolidated into one Folio.
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 Annual General Meeting.
6. 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 10.00 A.M. to 12.00 A.M. up to 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 along with 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 will remain closed for two days from Tuesday, 4th June, 2002 to Wednesday, 5th June, 2002.
10. PLEASE NOTE THAT NO GIFT WHATSOEVER WILL BE DISTRIBUTED TO SHAREHOLDERS AT THE A.G.M.

EXPLANATORY STATEMENT

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

Item No. 4

Mr. Kavir Laroia was appointed as Managing Director of the Company at the Board Meeting held on 1st April, 2002 with effect from 1st April, 2002 for a period of 5 years. The material terms of the appointment and remuneration payable to Mr. Kavir Laroia as stipulated in the Agreement to be entered into with him upon receipt of approval from the members are as follows:

1. **Period** : 5 years from 1st April, 2002
2. **Nature of Duties** : Mr. Kavir Laroia, Managing Director, shall manage day to day affairs of the Company and exercise powers of management entrusted to him by the said Agreement. He shall devote his full time and attention to the business and affairs of the Company. He shall at all times be subject to the superintendence, control and direction of the Board of Directors.
3. **Remuneration** : Mr. Kavir Laroia shall be entitled to the following maximum remuneration including salary, benefits and perquisites during the period of his employment. The actual payments within the maximum will be determined by the Chairman of the Board. The remuneration, benefits and perquisites will be subject to the applicable ceilings laid down in Sections 198 and 309 and Schedule XIII of the Companies Act, 1956
 - a) **Gross Remuneration** : Rs. 12,00,000/- per annum or Rs. 1,00,000/- per month, including following benefits- Leave Travel Concession as per Company's Rule, Medical Reimbursement for self, Spouse and dependent children, free use of Car for the Company's business and all expenditure in connection therewith, telephone and mobile phone.
 - b) **Other Benefits** : Provident Fund, Gratuity and Earned leave as per rules of the Company.
 - c) In the event of any increase in the limits of the emoluments, benefits and perquisites payable in accordance with the laws, policies, rules, regulations or guidelines in force from time to time, the Company may at its discretion, increase the remuneration, subject to obtaining such approvals as may be required.
 - d) In the event of loss/inadequacy of profits, Mr. Kavir Laroia will be entitled to the above remuneration as the minimum remuneration.
4. **Other terms** :
 - (i) He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
 - (ii) His appointment may be terminated by the Company or by him giving not less than three months' prior notice in writing.
 - (iii) The Agreement also sets out the mutual rights and obligation of the Company and Mr. Kavir Laroia.

The remuneration as stipulated above has been approved by the Remuneration Committee of the Company in its meeting held on 05.03.2002.

In compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolution as set out in item 4 of the accompanying Notice is placed before the members in the General Meeting for their approval.

None of the Directors, except Mr. Kavir Laroia, is concerned or interested in the said Ordinary Resolution.

This Explanatory Statement should be treated as an abstract under Section 302 of the Companies Act, 1956 of the Agreement to be entered into between the Company and Mr. Kavir Laroia.

A copy of the Agreement referred to in the Resolution at Item No. 4 of the accompanying Notice is open for inspection at the Registered Office of the Company between 10 A.M. and 12 noon on all days except Sundays and holidays, until the date of the Annual General Meeting or any adjournment or adjournments thereof.

By Order of the Board of Directors

Place : Sohna, Gurgaon
Dated : 02-05-2002

(ANIL SHARMA)
Company Secretary



IRPLAST ADHESIVES INDIA LIMITED

DIRECTORS' REPORT

To the Member,

Your Directors present the Thirteenth Annual Report together with Audited Accounts for the year ended on 31st March, 2002.

REDUCTION OF CAPITAL

It was reported in the Annual Report last year that all approvals had been received for reducing the Company's capital. On completion of all formalities required under law the reduction has been effected and the Issued, Subscribed and Paid Up capital now stands at Rs. 40,451,358.

FINANCIAL RESULTS & OPERATIONS

The Company achieved only marginal sales at Rs. 2.137 million compared with Rs. 0.699 million of the previous year.

Operating loss for the year after depreciation was Rs. 7.044 million, which was reduced to Rs. 1.172 million after bringing in the amounts written back in respect of payables and provisions no longer required. However, an extraordinary item of profit of Rs. 7.225 million resulted in a profit before and after tax of Rs. 6.053 million. No tax was payable.

The extraordinary item arose from the settlement reached with the Company's Bank for all loans and dues with a payment of Rs. 8.7 million resulting in a credit of Rs. 7.225 million to the Profit & Loss account.

After the settlement with the Bank and other creditors and earlier settlements with lenders, the Company now has no debts except the loans taken from shareholders/directors. All charges on the Company's assets held by way of mortgage and hypothecation have now been eliminated and formalities of their cancellation are being completed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. The accounting policies are consistently followed and your Directors have applied them to give a true and fair view of the state of affairs of the Company and the profit of the Company for the financial year ended March 31, 2001;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A report on corporate governance alongwith a certificate of compliance from the Auditors, forms a part of this report.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the Public or Shareholders or Employees under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

Mr. Giriam M. Patel resigned from the Board on 5th November, 2001. Consequently, Mr. Akhilesh Agarwal who was Alternate Director to him also ceased to be a Director of the Company from the same date.

The Board has appointed Mr. Kavir Laroia as Managing Director of the Company with effect from 1st April, 2002 for a period of 5 years subject to the approval of Shareholders at the ensuing Annual General Meeting.

Mr. P.K. Nanda retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

COMMENTS ON AUDITORS' 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 inadequate operational activity, management has initiated corrective steps to ensure full compliance. The delays in deposits of Provident Fund amounts were of small amounts.

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 reappointment.

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.

CONCLUSION

Settlements of dues with all major lenders and creditors having been completed and with loan funds raised from majority shareholder, your Board is hopeful that the Company will be able to resume operations at a more reasonable level than has been the case in recent years.

By Order of the Board of Directors

Place : Sohna, Gurgaon
Dated : 02-05-2002

(P. K. NANDA)
Chairman

