

# **14th ANNUAL REPORT 2002-2003**



**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  
Mr. Kavita Laroia  
Mr. Raman Mehta  
Mr. M. D. Gujrati

*Chairman*  
*Managing Director*  
*Director*  
*Director*

### 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 Rea,  
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

<b>CONTENTS.....</b>	<b>Page No.</b>
Notice.....	1
Director's Report.....	2
Report on Corporate Governance.....	4
Auditor's Reports.....	7
Balance Sheet.....	9
Profit & Loss Accounts.....	10
Schedules.....	11
Note to Accounts .....	15
Abstract.....	19
Cash Flow Statement.....	20

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

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of the Company will be held on Wednesday the 3<sup>rd</sup> day of September, 2003 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 31<sup>st</sup> March, 2003 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. Mr. Raman Mehta 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.

By Order of the Board of Directors

Sohna, 7<sup>th</sup> August, 2003  
 Registered Office :  
 Plot No. 7, Industrial Area,  
 Roz-Ka-Meo, Sohna.

**ANIL SHARMA**  
 Company Secretary

**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.  
 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.
2. 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.
3. Shareholders holding shares in the same name or in the same order of names but in several folios, are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings in one single folio.
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 Annual General 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 10.00 A.M. to 12.00 A.M. up to 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 along with them 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 will remain closed for two days from Tuesday, 2<sup>nd</sup> September, 2003 to Wednesday, 3<sup>rd</sup> September, 2003.
9. PLEASE NOTE THAT NO GIFT WHATSOEVER WILL BE DISTRIBUTED TO SHAREHOLDERS AT THE A.G.M.

## DIRECTORS' REPORT

### DIRECTORS' REPORT TO THE MEMBER

Your Directors present the Fourteenth Annual Report together with Audited Accounts for the year ended on 31<sup>st</sup> March, 2003.

### FINANCIAL RESULTS & OPERATIONS

The Company achieved only marginal sales at Rs 933,441 compared with Rs.2,137,034 of the previous year. Most of the product development and trials work was completed. The main plant went through some updating and overhaul and was put in excellent working condition. Further plant was added for this activity.

The new Products included Masking Tape and Paper Label Stock, the trials for both being successful. Market trials have now commenced. Produce Development expenses were Rs 0.737 million.

Further loan amounts of Rs 12 million in foreign currency were raised from the Principal shareholder, making a total of Rs 30.44 million. Foreign exchange fluctuation loss of Rs 2.14 million arose on account of these loans.

### 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 loss of the Company for the financial year ended March 31, 2003;
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.

### 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. Raman Mehta retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

### 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

The Company is now poised to regain its place in the market with updated plant as well as new products. The first quarter sales were better than the whole of last year's and further growth, perhaps slow, is expected.

Sohna, 7<sup>th</sup> August, 2003  
Registered Office :  
Plot No. 7, Industrial Area,  
Roz Ka Meo, Sohna.

For and on behalf of the Board

(P. K. Nanda)  
Chairman

**ANNEXURE 'A' TO DIRECTORS REPORT****A. Conservation of Energy**

The manufacturing process is not power-intensive in nature but still the Company has taken measures to reduce energy consumption and has installed energy efficient equipments.

**B. Technology Absorption**

Disclosure of particulars of Technology Absorption

**i) Research and Development (R&D)**

- |  |   |   |
|--|---|---|
| 1. Specific Areas in which R&D carried out by the Company  | : | Development of Label Stock Product          |
| 2. Benefits derived as a results of the above R&D          | : | Better Quality Product                      |
| 3. Future plan of Action                                   | : | Making Label Stock as main line of Business |
| 4. Expenditure on R&D                                      |   |   |
| a) Capital   | : | 0.54 Million                                |
| b) Recurring   | : | 0.74 Million                                |
| c) Total R&D expenditure as a percentage of total turnover | : | 138 %                                       |

**ii) Technology Absorption, Adaptation and Innovation**

- |  |   |  |
|--|---|--|
| 1. Efforts in brief made towards technology absorption, adaptation and innovation. | : | The imported technology of manufacturing Hot-Melt Adhesives by die extrusion process has been fully absorbed by the Company.   |
| 2. Benefits derived as a result of the above efforts.                              | : | 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 hot-melt adhesive by die extrusion process.  |
| b) Year of Import  | : | Technical Collaboration agreement was effective from 1989. Commercial production commenced from 1 <sup>st</sup> November, 1992 |
| c) Has technology been fully absorbed.   | : | Yes  |

**C. Foreign Exchange earnings and outgo**

There is no foreign exchange earning. Outgo of foreign exchange on account of import of Raw Materials amounted to Rs. 2.26 Million.

**IRPLAST ADHESIVES INDIA LIMITED****CORPORATE GOVERNANCE****1. Philosophy of the Company on Corporate Governance**

The Company's policy is to operate as closely as possible to the provisions set out in Clause 49 of Bombay Stock Exchange's Listing Agreement. Many steps have already been taken and as a responsible corporate citizen, the Company is committed to improving its Corporate Governance to achieve best practice in similar industries.

**2. Board of Directors**

The composition of Board of Directors as on 31<sup>st</sup> March, 2003 was as follows –

Mr. P.K. Nanda Non-Executive Chairman

Mr. K. Laroia Managing Director

Mr. R. Mehta Independent Non-Executive Director

Mr. M.D. Gujrati Independent Non-Executive Director

None of the above directors held memberships of other Boards and Committees (Private Limited companies/ Foreign companies not considered).

The Board held 6 meetings during the year: on 1<sup>st</sup> April, 2<sup>nd</sup> May, 29<sup>th</sup> June, 29<sup>th</sup> July, 29<sup>th</sup> October 2002 and 30<sup>th</sup> January in 2003. All Directors attended all meetings except Mr. Raman Mehta who attended only three meetings i.e. Second, Fourth and Sixth meetings. At last AGM Mr. Raman Mehta and Mr. P.K. Nanda could not be present.

**3. Board Committees**

**Audit Committee:** For the purpose of ensuring adequacy of internal controls and efficacy of internal and statutory audits and matters specified in Clause 49 of the Listing Agreements and Section 292A of the Companies Act, 1956, the Board has constituted an Audit Committee comprising 3 non - executive Directors, M. D. Gujrati, P.K. Nanda, R. Mehta. Mr. Gujrati being an independent non-executive Director with financial and accounting background has been nominated as the chairman of the Committee. Three meetings were held during the year on April 27, August 29 in 2002 and February 5 in 2003. All members attended all meetings.

**Remuneration Committee:** This has been constituted for reviewing and determining remuneration, performance and related bonuses of management and consists of three non-executive Directors, R. Mehta, M. D. Gujrati and P. K. Nanda who is the Chairman. No meeting was held during the year as there was no requirement of any review of remuneration.

**Shareholder Matters Committee:** This Committee has been constituted with P.K. Nanda and R. Mehta as members to look into the matters concerning redressal of shareholders' complaints. The Company has delegated share transfer powers to the Registrar and Share Transfer Agent M/s. Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi-110015. Two meetings were held during the year on April 2, 2002 and February 5, 2003. All members attended the meetings. During the year, 25 complaints were received from the Shareholders and all the complaints have been satisfied. All the transfers received during the financial year are processed by the Registrar and Transfer Agents and no transfers are pending at the close of the financial year.

**4. General Body Meetings**

The last three Shareholder Meetings, all Annual General Meetings, were held at the Company's Registered Office / Factory on June 5, 2002, September 28, 2001 and September 15, 2000.

No Special Resolution was put to vote in the aforesaid meetings and no resolution has been put through postal ballot at any time.

**5. Disclosure and Communication**

Information on Related Parties and their transactions are set out in Note No. 8 of Schedule 18 to the Accounts.

During the last three years, there were no strictures issued or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority except suspension of trading of securities by 'The Stock Exchange, Mumbai' and 'Delhi Stock Exchange' for late payment of listing fees and for non-payment of listing fees respectively. However the shares of the Company have been readmitted for trading on Delhi Stock Exchange since June, 2003 and talks for revocation of suspension are also going on with 'The Stock Exchange, Mumbai'. The Company has published its audited Financial Results for the year 2001-02 and quarterly results for the quarter ended June, 2002, September, 2002, December, 2002 and March, 2003 in "Pioneer" and "Veer Arjun" newspapers. The Company has also sent the floppies of quarterly results for quarter ended December, 2002, March, 2003 and June, 2003 to the Stock Exchanges for displaying the same on their web site.

**IRPLAST ADHESIVES INDIA LIMITED****6. General Shareholders Information**

Date, time and venue of the Annual General Meeting

3<sup>rd</sup> September, 2003  
 Plot No. 7, Roz – ka – Meo,  
 Industrial Area, Sohna - 122103

Financial Calendar

1<sup>st</sup> April to 31<sup>st</sup> March

Book Closure

2<sup>nd</sup> September to 3<sup>rd</sup> September, 2003

Dividend payment date

No dividend

Listing on Stock Exchanges

The Delhi Stock Exchange Assn.  
 Ltd., 3/1 Asaf Ali Road, N. Delhi.  
 The Stock Exchange Mumbai,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai.

Stock Code

DSE : 6415  
 BSE : 23712

Market Price Data

Not available

Share Transfer Agent

Indus Portfolio Private Limited,  
 G-65, Balli Nagar,  
 New Delhi-110015

Dematerialisation

The Company's shares are  
 available for trading in  
 Depository system with NSDL  
 and application with CDSL is also  
 pending. The ISIN  
 number is INE745F01011.

Plant Location

Plot No. 7, Roz – ka – Meo,  
 Industrial Area, Sohna - 122103

Address for Correspondence

Shareholders correspondence  
 should be addressed to our  
 Registrars and Share Transfer  
 Agent at the above address.  
 Contact person : Mr. Bharat Bhusan  
 Shareholders may also contact  
 Mr. Anil Sharma, Company  
 Secretary at the Registered office  
 of the Company for any assistance

Shareholding Pattern as on 31<sup>st</sup> March, 2003 Shares of Rs 2.50 each

Category	No. of shares	% /Shareholding
Promoters		
Indian	Nil	Nil
Foreign	6,585,449	40.70%
Persons acting in concert	Nil	Nil
<b>Sub-total</b>	<b>6,585,449</b>	<b>40.70%</b>
Non promoters holding		
Institutional Investors	Nil	Nil
<b>Mutual Funds and UTI</b>	<b>Nil</b>	<b>Nil</b>
Banks, Financial institutions, Insurance Companies (Central/State Govt /Non –Govt. Institutions), FIs	Nil	Nil
Others		
Private corporate bodies	1,396,400	8.63%
Indian Public	4,058,704	25.08%
NRIs /OC Bs	4,139,990	25.59%
<b>Sub-total</b>	<b>9595094</b>	<b>59.30%</b>
<b>GRAND TOTAL</b>	<b>16,180,543</b>	<b>100%</b>