

16th ANNUAL REPORT
2004-2005



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. Kavir Laroia	Managing Director
Mr. Raman Mehta	Director
Mr. M. D. Gujrati	Director

BANKERS

ICICI Bank Ltd.

AUDITORS

 SSP & COMPANY
 CHARTERED ACCOUNTANTS
 PUNJAB

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

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IRPLAST ADHESIVES INDIA LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Wednesday, the 17th day of August, 2005 at 10:00 A.M. at the Registered Office of the Company at Plot No. 7, Industrial Area, Roz – Ka – Meo, Sohna – 122 103 Distt. Gurgaon, Haryana to transact the following business(es):

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint Mr. Kavita Laroia, Director of the Company, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS(ES):

4. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:
"RESOLVED THAT subject to the provisions of Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003; Companies Act, 1956; Securities Contract (Regulation) Act, 1956; and the rules framed thereunder, listing agreements and all other applicable laws, rules, regulations, and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by the Resolution) the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from Delhi Stock Exchange Association Limited, Delhi."
5. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 17 and any other applicable provisions, if any, of the Companies Act, 1956 and subject to addition(s), deletion(s) and modification(s), as may be suggested by the Registrar of Companies, the objects clause III(A) of the Memorandum of Association of the Company, be altered by inserting the following new sub – clause 3 after existing sub-clause 2 :-

"To carry on the business of manufacturers, constructors, fabricators, processors, producers, growers, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and factors of goods of every kind, in every description, in a prepared, manufactured, semi-manufactured or raw state of property, goods and merchandise including but not limited to, medical devices, equipments, chemicals, adhesives & adhesive tapes, engineering, machinery, plant, pharmaceuticals, rubbers, textiles, real estate and housing, telecommunications, software, hardware, power, electrical and electronics."

For and on behalf of Board

Kavita Laroia
Managing Director

Sohna, 28th June, 2005
Registered office:
Plot No. 7, Industrial Area,
Roz – Ka – Meo, Sohna, Gurgaon

IRPLAST ADHESIVES INDIA LIMITED**NOTE(S):**

- 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/ HERSELF AND THAT A PROXY NEED NOT BE A MEMBER.**

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 the Meeting in default whereof the instrument shall not be treated as valid.

- 2 Members are requested to notify immediately any change/correction in their address including PINCODE to the Company or to the Registrar and Share Transfer Agent of the Company namely Indus Portfolio Private Limited, G – 65, Bali Nagar, New Delhi – 110 015 Phones: 011 – 25449862, 25172115 Fax: 011 - 25449863 quoting reference of the Registered Folio Numbers.
- 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 holding 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 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 Meeting.
- 6 Members/Proxies should bring attendance slips duly filled in for attending the Meeting.
- 7 Members/Proxies are requested to bring their copies of Annual Report with them to the Meeting, as the same will not be supplied again at the Meeting as a measure of economy.
- 8 Pursuant to the provisions of Section 154 of the Companies Act, 1956 and listing agreement the Register of Members and Share Transfer Books of the Company shall remain closed for two days from 16th August 2005 to 17th August, 2005 (both days inclusive).
- 9 Explanatory Statement pursuant to Section 173(2) in respect of the Special Business herein is annexed hereto and form part of this notice.
10. **PLEASE NOTE THAT NO GIFT WHATSOEVER WILL BE DISTRIBUTED TO THE SHAREHOLDERS AT THE ANNUAL GENERAL MEETING.**



IRPLAST ADHESIVES INDIA LIMITED

EXPLANATORY STATEMENT PUSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4

The Securities and Exchange Board of India has issued Delisting Guidelines, 2003, wherein the Companies are now allowed to seek Delisting of its securities from all or any of the Stock Exchange on which it may be listed, irrespective of it being a Regional Exchange or otherwise. Having regard to the fact that virtually no trading / liquidity has been seen in the Company's Equity Shares at Delhi Stock Exchange, it is desired that the Company seek Delisting from The Delhi Stock Exchange Association Ltd. (DSE), New Delhi. This will avoid multiplicity of compliances besides reduction in costs.

The proposed Delisting from the DSE would not adversely affect the investors as the Equity Shares of the Company would continue to remain listed at The Stock Exchange, Mumbai.

In accordance with the provisions of Delisting Guidelines, 2003 issued by SEBI, approval of the shareholders is necessary for seeking Delisting and the Directors commend the resolution to the shareholders for adoption.

None of the Directors are in any way concerned or interested in the resolution.

ITEM NO. 5

The Company at present is engaged in the business of manufacturing, processing and dealing in self-adhesive tapes. The Company now intends to diversify its activities by dealing in goods of every kind, in every description, in a prepared, manufactured, semi-manufactured or raw state of property, goods and merchandise including but not limited to, medical devices, equipments, chemicals, adhesives & adhesive tapes, engineering, machinery, plant, pharmaceuticals, rubbers, textiles, real estate & housing, telecommunications, software, hardware, power, electrical and electronics.

The proposed clause would not adversely affect the wealth of the investors and new areas of operations when undertaken will create wealth to the ultimate benefit of the investors.

In accordance with the provisions of Companies Act, 1956, approval of the shareholders is necessary for alteration of object clause of the Memorandum of Association and the Directors commend the resolution to the shareholders for adoption.

None of the Directors are in any way concerned or interested in the resolution.

For and on behalf of Board

Sohna, 28th June, 2005

Registered office:
Plot No. 7, Industrial Area,
Roz – Ka – Meo, Sohnna, Gurgaon

Kavit Laroia
Managing Director

IRPLAST ADHESIVES INDIA LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting the 16th (Sixteenth) Annual Report with Audited Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

The Company achieved the sales of Rs. 8.76 million, an improvement over Rs. 6.27 million of the previous year, but not large enough to give a break even position. The high cost of chemicals used in the Company's manufacturing process arising from the huge increase in international prices of oil adversely affected results as such cost increases could not be recovered due to stiff competition.

Considerable trial work was done for a new type of Masking Tape and initial trials were carried out for evaluation for a large prospective customer.

As a result of an agreement reached with the lender and after approval by the Reserve Bank of India the outstanding foreign currency loans were converted into dollar loans. That will avoid volatility in foreign exchange losses. As a consequence a one time gain of Rs 5.02 million has been recorded in foreign exchange.

DIVIDEND

In view of the losses suffered by the Company during the year, your directors do not recommend any dividend for the year 2004-05.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits including fixed deposits from the public under section 58A of the Companies Act, 1956 readwith Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

1. In the preparation of the accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the financial year ended 31st March, 2005;
3. The directors have taken proper and sufficient care 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.

DIRECTORS:

Mr. Kavir Laroia, Director of the Company, being longest in office retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS:

M/s. SS & Co., Chartered Accountants, retiring auditors, retire at conclusion of ensuing Annual General Meeting and are eligible and offers themselves for reappointment.

COMMENT ON AUDITORS' REPORT:

Observations of the Auditors have been explained, wherever necessary, by way of appropriate notes to accounts. All statutory payments are up-to-date.

IRPLAST ADHESIVES INDIA LIMITED**PARTICULARS OF EMPLOYEES:**

None of the employees are in receipt of remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended therefore no disclosure is required.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption and outgo in foreign exchange are enclosed as Annexure – A and forming part of this report.

CORPORATE GOVERNANCE:

Your Company has followed good Corporate Governance Practices adopted by it since inception and has been complying with the code of Corporate Governance. A detailed Corporate Governance Report together with a certificate from Statutory Auditors in compliance with Clause 49 of the Listing Agreement is attached forming part of this report.

STATEMENT PURSUANT TO LISTING AGREEMENT (S):

The Company's securities are presently listed at The Stock Exchanges at Mumbai (BSE) and The Delhi Stock Exchange Association Limited (DSE). The listing fees to BSE has been paid. A Special Resolution is proposed, to delist the securities of the company from the Delhi Stock Exchange, as hardly any transactions take place. That will also result in saving of considerable expenditure.

Management's Discussion and Analysis, in compliance with Clause 49 of the Listing Agreement, is attached, forming part of this report.

MEMORANDUM OF ASSOCIATION:

The Directors will recommend to shareholders to approve an amendment to the Memorandum of Association to enlarge the scope of business that the Company can undertake. That will enable the Board to look for new business opportunities for the Company.

ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge the co-operation, assistance and support extended by various stakeholders during these years: its employees, shareholder and Bankers during the year and look forward to their continuing support.

For and on behalf of Board

P. K. Nanda
Chairman

Sohna, 28th June, 2005

Registered office:

Plot No. 7, Industrial Area,

Roz – Ka – Meo, Sohna, Gurgaon

IRPLAST ADHESIVES INDIA LIMITED**ANNEXURE 'A' TO DIRECTORS' REPORT****A. Conservation of Energy**

The manufacturing process is not power-intensive in nature but still the Company has taken the 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 | : | _____ N.A. _____ |
| 2. Benefits derived as a results of the above R&D | : | _____ N.A. _____ |
| 3. Future plan of action | : | _____ N.A. _____ |
| 4. Expenditure on R&D | : | _____ N.A. _____ |
| a) Capital | : | _____ N.A. _____ |
| b) Recurring | : | _____ N.A. _____ |
| c) Total R&D expenditure as a percentage of total turnover | : | _____ N.A. _____ |

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 films coated with hot-melt adhesives by die extrusion process. |
| b) Year of Import | : | Technical Collaboration agreement was effective from 1989, Commercial production commenced from 1 st November, 1992 |
| c) Has technology been fully absorbed | : | Yes |

C. Foreign Exchange earning and outgo:

There is no Foreign Exchange earning. Outgo of foreign exchange on account of Import of Raw Materials amounted to Rs 1.62 million (previous year Rs. 1.70 million).