

17th ANNUAL REPORT

2005-2006



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

1. ICICI Bank Ltd.
2. Syndicate Bank

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 17th (Seventeenth) Annual General Meeting of the Company will be held on Thursday, the 17th day of August, 2006 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, 2006 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. Raman Mehta, 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 the following resolution as **Special Resolution with or without modification:**

'RESOLVED THAT pursuant to the provisions of Section 21 of the Companies Act, 1956 and other applicable provisions, rules and regulations, if any, subject to the approval of Central Government, the name of the Company be changed from **'IRPLAST ADHESIVES INDIA LIMITED'** to **'JMG CORPORATION LIMITED'**.

RESOLVED FURTHER THAT clause I of the Memorandum of Association of the Company be altered by substituting the words **'JMG CORPORATION LIMITED'** for the words **'IRPLAST ADHESIVES INDIA LIMITED'** on approval of said change of the name by the Central Government.

RESOLVED FURTHER THAT Mr. Kavir Laroia, Managing Director of the Company, be and is hereby authorised to make application, appoint attorney, consultant and do all necessary acts, deeds and things in this regard.

'RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to make an application to Central Government and to act or not to act up on the resolution or rescind the above resolution, if necessary with a Board Resolution.

For and on behalf of Board

Kavir Laroia
Managing Director

Sohna, 23rd June, 2006
Registered office:
Plot No. 7, Industrial Area,
Roz – Ka – Meo, Sohna, Gurgaon

IRPLAST ADHESIVES INDIA LIMITED**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/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 15th August, 2006 to 16th August, 2006 (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.

EXPLANATORY STATEMENT PUSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 4**

The Company at present is engaged in the business of manufacturing, processing and dealing in self-adhesive tapes which is reflected in the present name. The Company now intends to diversify into some other activities by expand business opportunities. The Board has arranged that an examination be carried out in detail to determine which activities may be appropriate at this stage. Therefore a change in name is proposed.

The proposed name would not adversely affect the wealth of the investors and new areas of operations when undertaken with new name 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 name 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.

Sohna, 23rd June, 2006

For and on behalf of Board

Registered office:

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

Kavit Laroia
Managing Director

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

Your Directors have pleasure in presenting the 17th (Seventeenth) Annual Report with Audited Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS

The Company achieved sales of Rs.14.36 million, a considerable improvement over the previous year's Rs. 8.76 million. After successful trials of masking tape initial orders were obtained in the export market and export sales of Rs. 6.4 million were achieved. Prices of raw materials have continued to be under pressure because of the ever-rising oil prices and that in turn has prevented the Company from gaining larger markets.

Results continue to be disappointing as volume growth has not yet reached break-even levels. Product prices cannot be raised due to competition. All efforts are being made to increase sales volume in the domestic and export markets. Loss for the year after interest and depreciation was Rs. 11.39 million against Rs. 7.73 million of the previous year before Extraordinary items.

Development work has started for some other adhesive products for niche markets which will be evaluated with prospective customers during the current year.

DIVIDEND

In view of the losses suffered by the Company during the year, your Directors do not recommend any dividend for the year 2005-06.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits including fixed deposits from the public under section 58A of the Companies Act, 1956 read with 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 explanations 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, 2006;
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. Raman Mehta, 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. SSP & Co., Chartered Accountants, retiring auditors, retire at conclusion of ensuing Annual General Meeting and are eligible and offers themselves for reappointment.

IRPLAST ADHESIVES INDIA LIMITED**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.

CHANGE OF NAME :

As stated in the explanatory statement in respect of the Special Resolution being proposed to the shareholders. The Director recommend a change in the name of Company to reflect additional activities under consideration of the Board. The Director will effect the change only when it is considered appropriate. After change of the name, the existing activities of adhesive tapes will operate as 'Irplast Adhesives Division' of the Company.

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 EARNINGS 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 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 and DSE have been paid. The Company has made an application for delisting of its securities from the Delhi Stock Exchange and the same is pending with DSE for its approval.

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

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, 23rd June, 2006

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 measures to reduce energy consumption and has installed energy efficient equipment.

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 | | |
| a) Capital | : | _____ N.A. _____ |
| b) Recurring | : | |
| c) Total R&D expenditure as a percentage of total turnover | : | |

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:

Foreign Exchange earnings were Rs. 6.48 million (Previous year Rs Nil). Outgo of foreign exchange on account of Import of Raw Materials amounted to Rs. 9.65 million (previous year Rs. 1.60 million).