



JALPAC INDIA LTD.

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JALPAC INDIA LIMITED**BOARD OF DIRECTORS**

Ganga Din Yadev – Chairman
 Madhukar Jain – Managing Director
 Anil Malik
 Shyam Narayan (Nominee of ICICI)
 S.S. Jain
 R.R. Malhotra – Executive Director

**REGISTERED OFFICE
& WORKS**

Village Tularampur
 P.O. Mota Haldu
 Tehsil Haldwani
 Dist. Nanital (U.P.)

CORPORATE OFFICE

903/911, Tolstoy House
 15 Tolstoy Marg
 New Delhi-110001

BRANCHES

Malhotra House (1st Floor)
 Opposite G.P.O.
 Bombay - 400 001

25, Ballygunge Circular Road
 Calcutta - 700 019

17, Smith Road
 Anna Salai
 Madras - 600 002

307, River Palace, Wing B
 Opp. Bahumali (Old Court) Nanpura Building
 Surat - 395001

Gala No. 238/1 (4) & 238 / 1 (9)
 Plot No. 449/3
 Industrial Estate Masat
 Silvassa
 (U.T. of Dadra & Nagar Haveli)

BANKERS

State Bank of India
 State Bank of Bikaner & Jaipur

AUDITORS

Lodha & Co.
 Chartered Accountants

SHARE TRANSFER AGENTS

ABC Computers Pvt. Ltd.
 116, Sant Nagar, East of Kailash
 New Delhi - 110065

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NOTICE FOR THE THIRTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held at the Registered Office of the Company at Village Tularampur, P.O. Mota Haidu, Tehsil Haldwani, Distt. Nainital (U.P.) on Saturday, the 27th November, 1999 at 3.00 P.M. to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Audited Accounts for the year ended 30th June, 1999 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S.S. Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Anil Malik who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special Business :

To Consider, and if thought fit, to pass with or without modification (s) the following resolutions :

5. As an Ordinary Resolution :

"RESOLVED THAT Shri R.R. Malhotra who was appointed as an Additional Director of the company by the Board of Directors and who holds office upto this Annual General Meeting of the company under Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the company and that the period of the office of the Director shall be liable to determination by retirement by rotation."

6. As an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 & 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, consent of the members be and is hereby given for the appointment of Shri R.R. Malhotra as Executive Director (Wholetime Director) of the company for a period of 5 years with effect from 27th October 1999, on the remuneration and on the terms and conditions as approved by the Board of Directors at their meeting held on 27th October, 1999".

FURTHER RESOLVED that the Board of Directors be and is hereby authorised to alter and vary the terms & conditions of the said appointment as may be agreed to between the Board of Directors and Shri R.R. Malhotra.

FOR JALPAC INDIA LTD.

Place : New Delhi
Date : 27th Oct. 1999

Madhukar Jalan
Managing Director

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

ITEM NO. 5

Shri R.R. Malhotra was appointed as an Additional Director of your company in the Board Meeting held on 27th October, 1999 pursuant to clause 80 of the Articles of Association read with Section 260 of the Companies Act, 1956 and he will hold this office till the date of the forthcoming Annual General Meeting.

The Company has received Notice in writing under Section 257 of the Companies Act, 1956 from some members notifying their intention of proposing Shri R.R. Malhotra's candidature for appointment as Director liable to retire by rotation.

ITEM NO. 6

To provide for increased executive participation at the Board level, your Directors have, at their meeting held on 27th October, 1999 appointed Shri R.R. Malhotra as Executive Director of your Company with effect from 27th October, 1999.

Shri R.R. Malhotra's experience spans over 25 years in various functional areas of operation. He started his career in the Tea industry in 1975. After serving it well for 12 years, he joined your company to head the marketing and purchase functions. In the last ten years he has gained a vast knowledge of the Metallizing and Coating industry both in India & abroad. He has also spearheaded the company's export effort. Over the years he has grown with the company progressively shouldering higher responsibilities.

In view of the rich industry knowledge and functional experience and distinguished career, his appointment as Executive Director would be in the best interest of your company.

Members approval is sought for the appointment of Shri R.R. Malhotra as Executive Director for a period of five years with effect from 27th October, 1999 and for the payment of salary and other perquisites as detailed below :

1. Remuneration :

1. Salary :

Rs. 22000/- (Rupees Twenty Two Thousand only) per month with annual increments not exceeding Rs. 3000/- as may be approved by the Board of Directors.

2. Perquisites :

Free furnished accommodation with amenities including electricity, water, maintenance



expenses subject to the ceiling namely 60% of the salary.

Medical Reimbursement :

Reimbursement of medical expenses incurred for self and family not exceeding one month's basic salary per annum.

Leave Travel concession :

Leave Travel Concession for self and family, once in a year incurred in accordance with Rules of the company not exceeding one month's basic salary.

of the terms of appointment of Shri R.R. Malhotra under Section 302 of the Companies Act, 1956.

The Board recommends the resolutions for your approval.

Except Shri R.R. Malhotra, no other Director is concerned or interested in the resolutions.

BY ORDER OF THE BOARD

2. PROVIDENT FUND

Company's contribution towards Provident Fund to which the provisions of the Provident Fund Act, 1925 apply or from any other Provident fund set up by the Central Government and notified by it in this behalf in the official gazette as per Rules of the company but not exceeding 12% of the salary.

3. GRATUITY :

Gratuity as per Rules of the Company, but shall not exceed half a month's salary for each completed year of service.

4. EARNED LEAVE :

Earned leave on full pay and allowances as per the rules of the company. Leave can be accumulated upto 6 year's entitlement.

Encashment of leave beyond one month's entitlement only once in the year. However, encashment of entire accumulated leave at the end of the tenure.

Encashment of leave at the end of tenure will not be included in the computation of the ceiling of perquisite.

- 5.** Car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company.

The aggregate of the salary and all perquisites as enumerated above, shall at no time exceed the limits as may be prescribed from time to time under the provision of the Companies Act, 1956, schedules thereto and rules thereunder, as well as any other statutory provisions as may be applicable.

The Executive Director shall not be eligible for any sitting fees for company's Board or Committee meetings.

The above details may please be treated as an abstract

New Delhi
27th October, 1999

MADHUKAR JALAN
MANAGING DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. 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. and 1.00 p.m.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 20.11.99 to 27.11.99 both days inclusive.
4. The company has transferred, to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (transfer to the General Revenue Account of the Central Government) Rules, 1978, unclaimed dividend for the year 1994-95 (@ 12% Final Dividend for which Record Date was 2.11.95.)

Those shareholders who have so far not claimed for collected their above mentioned dividend or dividends may claim their dividend from the Register of Companies, U.P., West Cott Building, The Mall, Kanpur.



DIRECTORS' REPORT

TO
THE MEMBERS,

The Directors have pleasure in presenting the Annual Report with Audited Accounts of the company for the year ended 30th June, 1999.

Financial Results

	(Rupees in lacs)	
	Year Ended 30th June, 1999	Year Ended 30th June, 1998
Sales & Other Income	2630.25	3527.34
Profit before		
Interest & Depreciation	(104.27)	257.17
Profit before Depreciation	(394.02)	(76.61)
Profit before Tax	(510.26)	(189.20)
Provision for Tax	—	—
Profit after Tax	(510.26)	(189.20)
Profit brought forward	46.79	235.99
Proposed Dividend	—	—
Balance carried forward	(463.47)	46.79

Operations

The industry continued to reel under the continuing trend of price reduction and squeeze in margins which had a very negative effect on profitability.

The production of metallized film and metallized paper increased by 24% and 28% respectively. Correspondingly, the sales volume of metallized film and metallized paper also grew by 21% and 35% respectively.

Despite the increase in volumes, the sales value was lower by 18% because of the reduced prices and margins.

Another contributing factor of lower sales value was 329 MT of jobwork metallizing undertaken during the year. If this capacity had been used for outright sales, the incremental sales value would have been about Rs. 3 Crores.

Your company also received a setback on account of a labour strike over the wage negotiation issue at the plant from 24.6.98 to 18.7.98. This caused a loss of production and

sales for almost 25 days during the year under review. Although the strike ended on 18.7.98, it took a week to resume normal operations.

Export

The company has continued its thrust into export markets. Exports in quantity terms increased by 32% over the previous year, though in value terms, it was lower by 5% because of reduction in raw material and resultant end product prices.

Y2K Compliance

Company is addressing Y2K issues and has initiated necessary steps by way of modification / upgradation of software and hardware. As most of the softwares used by the company is developed in-house, only a few bought out software packages have to be upgraded along with hardware to ensure Y2K compliance. The cost involved to accomplish this is not significant and will be met out of own resources.

The deadline for completing this has been set for end October'99.

Dividend

In view of net loss for the period under review, your Directors regret their inability to declare any dividend.

Expansion

- i) Metallizer - the new metallizer was installed in the plant at Haldwani by the installation engineers of the Suppliers, General Vacuum Equipment, U.K. in January'99. It took much longer than stipulated in the contract for their engineers to start the machine. Even after the start up, the actual performance of the machine was not in accordance with the contracted technical parameters. As a result, your company suffered a major setback in turning its performance around as the productivity, quality, and the types of material it can process are not in line with the technical guarantees given. The supplier has provided a time schedule by 31st December, 1999 to rectify all the short comings in a planned manner. As a result the metallizer is still on a trial run until all the defects and shortcomings are rectified



by the supplier and commercial production commences.

- ii) Metallic yarn unit was set up to produce value added product in order to improve the overall profitability of the company. The first phase of the project is more-or-less in place and the desired capacity of 10 tons should be achieved shortly.

Future Outlook

Despite the metallizer not achieving the committed level of performance, the market response has been encouraging and it appears that there is enough market demand to absorb the expanded capacity.

There has also been an encouraging response to the metallic yarn produced and orders in hand exceed the capacity planned in the first phase. The entire capacity will be absorbed by exports.

Despite the adverse industry scenario, it appears that the gains from the expansion will become evident by the end of the current year and the financial year ending 2001 should see a turn around in the financial performance.

Directors

Shri B.P. Pandey nominee of PICUP, Shri Mahadeo Jalan and Shri K.R. Ananthnarayanan directors resigned from the Board effective from 30th April, 1999.

Shri Mumtaz Ahmed resigned from the board effective from 29th September, 1999.

The Board places on records its deep appreciation of the valuable guidance provided by these directors during their tenure as Director / Chairman of the Company.

Shri Ganga Din Yadav nominee of PICUP has been appointed as Director and Chairman of the Company effective from 30.04.1999.

Shri S.S. Jain retires by rotation and being eligible, offers himself for re-appointment.

Shri Anil Malik retires by rotation and being eligible, offers himself for re-appointment.

Auditors' Report

The comments of the Auditors in their Report have suitably been explained in the relevant notes on accounts.

Listing of Securities

The equity shares of the company are listed at Ahmedabad, Calcutta, Delhi, Kanpur (Regional Stock Exchange) and Mumbai.

The company has paid listing fees for the financial year 1999-2000 to all the Stock Exchanges.

Information pursuant to Section 217 of the Companies Act, 1956

Information in accordance with clause (e) of sub-section (1) of section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 30th June, 1999 is given in Annexure A to this Report.

Personnel

The detail as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is -NIL

Acknowledgement

The Directors wish to place on record their appreciation of the dedication and commitment of the employees and team work displayed by them. The Directors also wish to record their appreciation of the financial support provided by the Financial Institutions and Company's Bankers.

For and on Behalf of the
Board of Directors

New Delhi
29th September, 1999

Madhukar Jalan
Managing Director

ANNEXURE A

REPORT ON CONSERVATION OF ENERGY ETC. (Forming Part of the Directors Report)

A. Conservation of Energy :

1. Chillers operation was automated to prevent the overcooling of water, leading to savings in electrical energy.
2. Rescheduling of loads on DG sets done to get better specific fuel consumption.