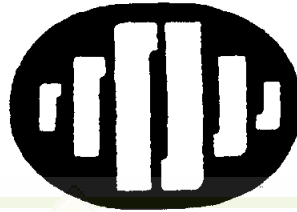


**15th
Annual Report
2000 - 2001**



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JALPAC INDIA LTD.

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**BOARD OF DIRECTORS**

Madhukar Jalan - Managing Director
 Anil Malik - Nominee of PICUP
 Sanjoy Gupta - Nominee of ICICI
 S.S. Jain
 R.R. Malhotra - Executive Director

AUDIT COMMITTEE

Anil Malik
 Sanjoy Gupta
 S. S. Jain
 Madhukar Jalan

**REGISTERED OFFICE
& WORKS**

Village Tularampur
 P.O. Mota Haldu
 Tehsil Haldwani
 Dist. Nainital (Uttaranchal)

CORPORATE OFFICE

903/911, Tolstoy House
 15 Tolstoy Marg
 New Delhi-110 001

BRANCHES

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

25, Ballygunge Circular Road
 Kolkata - 700 019

12/10-Mariammanor Apartments
 Locoworks, Locoscheme
 1st Main Road, Jawahar Nagar
 Chennai - 600 082

307, River Palace, Wing B
 Opp. Bahumali (Old Court) Nanpura Building
 Surat - 395 001

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

Niche Technologies Pvt. Ltd.
 C-444, Bagree Market,
 71, B.R.B.B. Road,
 Kolkata - 700 001

JALPAC INDIA LIMITED



NOTICE FOR THE FIFTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Saturday, the 28th July, 2001 at 11.00 a.m. at the Registered Office of the Company at Village Tularampur, P.O. Mota Haidu, Tehsil Haldwani, Distt. Nainital (Uttaranchal) to transact the following business.

Ordinary Business :

1. To receive, consider, and adopt the Audited Accounts for the year ended 31st March, 2001 and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anil Malik who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri S.S. Jain 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 a Special Resolution:

RESOLVED THAT the existing Clause V of the Memorandum of Association of the company be and is hereby deleted and substituted by the following:

"The authorised share capital of the company is Rs 15,00,00,000 (Rupees Fifteen Crores only) divided into 80,00,000 (Eighty Lacs) Equity Shares of Rs 10/- (Rupees Ten) each and 7,00,000 (Seven Lacs) Preference Shares of Rs 100 (Rupees Hundred) each."

6. As a Special Resolution

RESOLVED that pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956('the Act') and subject to provisions of any other Acts, Rules and Regulations as may be applicable in this regard and subject to approvals under the said Act, Rules and Regulations or otherwise as may be applicable, the Board of Directors of the Company be and is hereby authorised to issue and offer from time to time upto 7,00,000 preference shares of Rs 100 each for aggregate face value of Rs 7,00,00,000 (Rupees Seven Crores only) in one or more lots to any person including bodies corporate, institutions, whether in India or abroad on private placement basis, preferential basis or otherwise on such terms and conditions including the rate of dividend, amount of premium, if any, on redemption, redemption period, manner of redemption and matter incidental thereto as the Board of Directors may deem fit except that the said preference shares shall not be convertible into equity shares."

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BY ORDER OF THE BOARD

New Delhi
16th May, 2001

MADHUKAR JALAN
MANAGING DIRECTOR

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****ITEM NO.5**

In order to have a sound capital base to support the Company's operations, it is necessary to reclassify the authorised share capital. The Board of Directors considered it desirable that the Company should reclassify its authorised share capital from 1,50,00,000 equity shares of Rs 10 each to 80,00,000 equity shares of Rs 10 each and 7,00,000 preference shares of Rs 100 each. The proposed change in the authorised share capital of the Company requires the approval of the members by way of special resolution in the General Meeting. Consequent upon the change in the authorised share capital, the Memorandum of Association of the Company will require alteration so as to reflect alteration in authorised share capital.

The Board of Directors recommends the passing of the Special Resolution.

None of the Directors of the Company is interested or concerned in this resolution.

ITEM NO. 6

In order to augment the long term resources of the company, the Board of Directors have considered it expedient to explore the possibility of issuing preference shares on such terms and conditions as the Board may think fit, in the interest of the Company from time to time. The issue of the further share capital to other than the existing holders of equity shares requires approval of the members by way of Special Resolution under section 81(1A) of the Companies Act, 1956.

The Board of Directors recommends the passing of the Special Resolution.

None of the Directors of the Company is interested or concerned in this resolution.

BY ORDER OF THE BOARD

New Delhi
16th May, 2001

MADHUKAR JALAN
MANAGING DIRECTOR

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. 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 23/07/2001 to 28/7/2001 (both days inclusive).
4. The company has transferred to the Central Government as required by Companies Unpaid Dividend (transfer to the General Reserve Account of the Central Government) Rules, 1978, unclaimed dividend upto the year 1994-95. Those shareholders who have so far not claimed or collected their above mentioned dividend or dividends may claim their dividend from the Registrar 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 31st March, 2001.

Financial Results

(Rupees in lacs)

	Year Ended 31st March, 2001	9 months Period Ended 31st March 2000
Sales & Other Income	5107.23	2700.80
Profit before Interest & Depreciation	464.75	94.40
Profit before Depreciation	164.45	(78.46)
Profit before Tax	5.29	(168.82)
Provision for Tax	0.45	-
Profit after Tax	4.84	(168.82)
Profit brought forward	(632.30)	(463.48)
Transferred From		
General Reserve	4.19	-
Proposed Dividend	-	-
Balance carried forward	(623.27)	(632.30)

DIVIDEND

In order to conserve resources and consolidate the financial position of the Company, your Directors do not recommend any dividend for this year.

OPERATIONS

The decision to expand capacity was taken to compensate the squeeze in margins by larger volumes. The results of the expansion are evident from the growth in volumes of production and sales as well as in the financials.

There was a substantial growth in production and sales during the year. Sales grew by 49% in value terms and by 23% in quantitative terms. Production increased by 27% in quantitative terms.

Sales of metallized paper which has been focused upon in the last two years, increased by 40% in quantitative and by 36% in value terms.

Along with productivity, quality issues were given an extreme focus resulting in reduction of wastage, scrap, customer complaints and a consequent increase in customer satisfaction in all product segments.

EXPORT

Exports in value terms increased by 36% and in quantitative terms by 10%. Value added exports were achieved by augmenting exports of metallized paper where the growth was 489% in value and 530% in quantity terms.

NEW METALLIZER

The improvements/modifications yielded tangible results and productivity on this metallizer increased by 48% during this year.

FUTURE OUTLOOK

The company has more than doubled the volumes in the last two years with an overall capacity utilization of 88%. Because of the economies of scale, the competitiveness has improved and opportunities for

further expansion in both the metallizing and coating areas are being explored.

Margins have reached almost minimum levels and are likely to remain constant. For improving the performance further, the focus has to continue to be on an increase in volumes, productivity and quality along with optimum cost control.

Anti-dumping duties on metallized polyester film have been recently imposed by the European Union and though the volumes of exports of metallized polyester film by us to Europe were minimal, it has blocked a large potential market. These duties have been imposed because of large volumes of base polyester film exports with the metallized polyester films having been clubbed as a 'like product'. If a similar duty is levied by USA, there would be an adverse impact on the company's metallized film exports.

CORPORATE GOVERNANCE

The company has constituted an audit committee in compliance with section 292A of the Companies (Amendment) Act, 2000. The following Directors of the company have been appointed as members of the audit committee.

1. Shri Anil Malik
2. Shri Sanjoy Gupta
3. Shri S.S. Jain
4. Shri Madhukar Jalan

The audit committee will look into all the aspects as provided in the Companies Act, 1956 as amended.

Internal auditors, Audit committee members and Statutory Auditors have full and free access to all the information and records considered necessary to carry out the assigned responsibilities. The issues raised from time to time are suitably acted upon and followed up at different levels of the Management.

Although the mandatory compliance with Clause 49 of the Listing agreement relating to Corporate Governance is applicable to your Company from Financial Year 2002-2003, we are in the process of implementing the same from 2001-02.

DEMATERIALIZATION OF SHARES

The Equity shares of the company have been notified by SEBI for Compulsory dematerialization w.e.f. February 19, 2001. Dematerialization form of trading would facilitate quick transfers and save stamp duty on transfer of shares. However, members are free to keep the shares in physical form or to hold the shares with a 'Depository Participant' in demat form. The shares once dematerialized can also be rematerialized at any time.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES (AMENDMENT) ACT, 2000

Your Directors state that the annual accounts of the Company have been prepared in conformity, in all material respects, with the generally accepted accounting standard in India and supported by reasonable and prudent judgements and statements so as to give a true and fair view of the state of affairs of the company and the results of the operations of the company. Significant Accounting policies followed and other disclosures are appearing in schedule to the notes of the Accounts and forming parts of the annual accounts.

These financial results of the company have been audited by M/s Lodha & Co. Chartered Accountants. A reference may be made to their report dated 16.5.01 to the members together with Annexure 'A' thereto containing information



as per requirement under the Manufacturing and other Companies (Auditor's Report) Order, 1988 attached with these annual accounts.

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 or for preventing and detecting fraud and other irregularities.

In the opinion of the Board, the company is in a position to carry on its business in the foreseeable future and, accordingly, the financial statements have been prepared on the basis of a going concern.

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 Delhi, Calcutta, Ahmedabad, Kanpur (Regional Stock Exchange) and Mumbai.

The Company has paid listing fees for the financial year 2001-2002 to all Stock Exchanges.

DIRECTORS

Shri. Anup Padey nominee of PICUP resigned on 30.01.2001. The Board places on records its deep appreciation of the valuable guidance provided by Shri Pandey during his tenure as Chairman /Director of the Company.

Shri Anil Malik, nominee of PICUP retires by rotation and being eligible, offers himself for reappointment

Shri S.S. Jain, Director retires by rotation and being eligible, offers himself for reappointment

AUDITORS

M/s Lodha & Co. Chartered Accountants, auditors of the Company, retire at the forthcoming annual General Meeting and being, eligible, offer themselves for reappointment.

SHARE TRANSFER AGENTS

With a view to provide better services to the investors and prompt redressal of their complaints the Company has appointed M/s Niche Technologies Pvt. Ltd. C-444, Bagree Market, 71, B.R.B.B. Road, Kolkata -700 069 as its new share transfer agents and registrar with effect from 1/10/2000 in place of M/s. ABC Computers Pvt. Ltd.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

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 period ended 31st March 2001, is given in Annexure A to this Report.

PERSONNEL

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

ACKNOWLEDGEMENTS

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

On Behalf of the Board of Directors

	sd/-	sd/-
New Delhi	Madhukar Jalan	R. R. Malhotra
16th May, 2001	Managing Director	Executive Director

Annexure A

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

A. CONSERVATION OF ENERGY:

- 320 KVA Synchronized Diesel Generating Sets running adjusted to cope up with load demand, leading to the reduction in running hours of one set by 25%.
- Slitting Machine's main motor operation sequence linked with actual slitting operation. This has reduced the running Hours of 7.5 H.P. load at seven points by 25%.
- High Temperature Thermic Fluid Pipe lines insulation work carried out more effectively to reduce the heat loss. This has reduced the consumption of fuel used to heat the Thermal Fluid oil.

B. TECHNOLOGY ABSORPTION:

- Development of 'Heatsealable Transfer Metallized Paper'.
- Development of 'Holographic Transfer Metallized Paper' for the decorative and gift wrap applications.

C. FOREIGN EXCHANGE EARNING & OUTGO

- Activities Relating to Exports etc.:

The company sustained its efforts for exports and substantial gains were made in the metallized paper segment. Efforts to develop and establish new export markets continued.

- Total Foreign Exchange used & earned:

	(Rs in lacs)
(a) Foreign Exchange Earned (FOB Value of Exports)	1485.18
(b) Foreign Exchange Used (CIF Value of Imports)	
(i) Capital Goods	1.02
(ii) Raw Materials	235.36
(iii) Stores & Spares	8.39
(iv) Others	8.19

On Behalf of the Board of Directors

	sd/-	sd/-
New Delhi	Madhukar Jalan	R. R. Malhotra
16th May, 2001	Managing Director	Executive Director