



BISIL PLAST LIMITED



**EIGHTEENTH ANNUAL REPORT
2003-2004**



BISIL PLAST LIMITED

BOARD OF DIRECTORS

Shri Surendra T. Shah	<i>Chairman</i>
Shri Sanjay S. Shah	Managing Director
Smt. Shilaben S. Shah	<i>Director</i>
Smt. Ritaben S. Shah	<i>Director</i>
Shri Kashyap R. Mehta	<i>Director</i>
Shri Sanjay V. Karkare	<i>Director</i>

BANKERS

The Ahmedabad Mercantile Co-Op. Bank Ltd.
Navrangpura
Ahmedabad

AUDITORS

M/s. Shah & Dalal
Chartered Accountants
Ahmedabad

LEGAL ADVISORS

Shri Mihir H. Joshi
Advocate
Ahmedabad

COMPANY LAW CONSULTANT

Shri Kashyap R. Mehta
Company Secretary
Ahmedabad

REGISTERED OFFICE

406, Silver Oaks Commercial Complex
Opp. Arun Society
Paldi
Ahmedabad - 380 007

FACTORY

2410/11, GIDC Industrial Estate
Chhatral (N.Guj.)
Tal:Kalol
Dist:Gandhinagar

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ANNUAL REPORT 2003-2004**NOTICE**

NOTICE is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING** of the Members of **BISIL PLAST LIMITED** will be held as scheduled below:

Date : 22nd September, 2004
 Day : Wednesday
 Time : 10.00 A. M.
 Place : At the Registered Office of the Company at:
 406, Silver Oaks Commercial Complex,
 Opp. Arun Society, Paldi,
 Ahmedabad - 380 007

to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2004 and the Balance Sheet as on that date alongwith Directors' Report thereon.
2. To appoint a Director in place of Smt. Shilaben S. Shah, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Smt. Ritaben S. Shah, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the reappointment of Shri Sanjay S. Shah as Managing Director of the Company for a period of five years with effect from 16th January, 2005 to 15th January, 2010 on the terms and conditions set out in the draft agreement of appointment submitted to this meeting (the said terms and conditions approved by the Remuneration Committee) duly initialled by the Chairman for identification and that he be paid remuneration by way of Salary and Perquisites not exceeding the amount thereof as set out in the accompanying explanatory statement which is permissible under Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors of the Company from time to time."

"RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again."

6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provision of Section 149 (2A)(b) of the Companies Act, 1956, approval of the members be and is hereby accorded to the Commencement of Business of Manufacture and Sale of Refined Medical and Pharmaceutical products as provided in Clause No. 4 of the Other Objects of the Memorandum of Association of the Company."

Registered Office :

406, Silver Oaks Commercial Complex,
 Opp. Arun Society, Paldi,
 Ahmedabad-380 007.
 Date :30th June, 2004.

By Order of the Board

Sanjay S. Shah
 Managing Director

BISIL PLAST LIMITED**NOTES**

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Items Nos. 5 and 6 set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Wednesday, the 1st September, 2004 to Wednesday, the 22nd September, 2004 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the change in their registered address, if any, to the Company.
6. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN No. of the Equity Shares is INE214D01013.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Items Nos. 5 and 6 of the accompanying Notice dated 30th June, 2004 and should be taken as forming part of the notice.

In respect of Item No. 5:

Shareholders may recall that in the 13th Annual General Meeting held on 15th September, 1999, Shri Sanjay S. Shah was appointed as Managing Director of the Company for a period of five years from 16th January, 1999 to 15th January, 2005. The Remuneration Committee of the Company in their meeting held on 30th June, 2004 have recommended reappointment of Shri Sanjay S. Shah as Managing Director of the Company for a further period of 5 years w. e. f. 16th January, 2005. On the basis of the recommendations of the Remuneration Committee, the Board of Directors in their meeting held on 30th June, 2004 has reappointed Shri Sanjay S. Shah as Managing Director for a further period of five years i.e. from 16th January, 2005 to 15th January, 2010.

The major terms and conditions of his reappointment as recommended by the Remuneration Committee and approved by the Board of Directors are as under:

I. PERIOD:

For a period of 5 years from 16th January, 2005 to 15th January, 2010.

II. REMUNERATION:**A. Salary :**

The Managing Director shall be entitled to salary of Rs. 25,000/- per month.

B. Perquisites :

1. Contribution to Provident Fund, Superannuation Fund and Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure.
4. Medical reimbursement:
Medical reimbursement expenses incurred for the Managing Director and family subject to a ceiling of one month's salary per year or three months' salary over a period of three years.
5. Leave Travel Concession for self and family at a rate not exceeding one month's salary for one year or three months' salary in a block of three years.
6. Free use of Company's car with driver for Company's business and free telephone facility at residence.

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- III. The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- IV. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

V. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. The headquarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

VI. TERMINATION:

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if a special Resolution to that effect is passed by the Company in its General Meeting. The Managing Director may resign from his office by giving 90 days' notice to the Company.

VII. COMPENSATION:

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under Section 318 of the Companies Act, 1956."

As per the provisions of Sections 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Special Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The terms and conditions mentioned in the above Explanatory Statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors reappointing Shri Sanjay S. Shah as Managing Director and Draft agreements of reappointment are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M.

Shri Sanjay S. Shah is concerned or interested in the business since it relates to his appointment as Managing Director of the Company. Shri Surendra T. Shah, Smt. Shilaben S. Shah and Smt. Ritaben S. Shah, Directors of the Company may also be deemed to be interested or concerned with the business of reappointment of Shri Sanjay S. Shah, since he is their relative.

In respect of Item No. 6:

The Company is desirous of pursuing the objects as enumerated in the Clause No. 4 of the 'Other Objects of the Memorandum of Association of the Company' as enumerated below:

- "4. To carry on the business of producers, manufacturers, importers, exporters, buyers and sellers of and dealers in refined medical and pharmaceuticals together with preparations and bye-products thereof, chemical products, acids, drugs, tannings, essences, plasticizers, photographic, sirings, medicinal, chemical, industrial and other preparations and articles of any nature and kind whatsoever, mineral and waters, cement, oil pints, pigments and varnishes, compounds, drugs, dyestuffs, organic and mineral intermediates, paints and colours, grinders, makers of an dealers in proprietary articles of all kinds of electrical, chemical, photographic, surgical and scientific apparatus and materials.

As per section 149(2A)(b) of the Companies Act, 1956, the consent of the members by way of Special Resolution is necessary for commencement of any new business mentioned in the Other Objects of Memorandum of Association of the Company.

Your Directors recommend the Resolution.

None of the Directors is concerned or interested in the aforesaid business.

Registered Office :

406, Silver Oaks Commercial Complex,
Opp. Arun Society, Paldi,
Ahmedabad-380 007.
Date :30th June, 2004.

By Order of the Board

Sanjay S. Shah
Managing Director

BISIL PLAST LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the EIGHTEENTH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2003-04 ended 31st March, 2004.

1. FINANCIAL RESULTS :

	2003-04	(Rs.in Lacs) 2002-03
Operating Profit (before Interest & Depreciation)	71.48	42.69
Less : Interest	22.15	21.89
Profit before Depreciation	49.33	20.80
Less : Depreciation	45.87	46.63
Net Profit/(Loss) before Tax	3.46	(25.83)
Less : Provision for Taxation	0.30	—
Profit/(Loss) after Tax	3.16	(25.83)
Balance brought forward from Previous year	(231.28)	(205.45)
Net (Loss) carried to Balance Sheet	(228.12)	(231.28)

In view of Unabsorbed Depreciation and Carried forward losses and also in view of absence of virtual certainty of future income, deferred tax assets/liabilities have not been recognised.

2. DIVIDEND :

Your Directors are unable to recommend Dividend for the year ended 31st March, 2004 in view of the losses suffered by the Company during the year under review and accumulated losses.

3. PRODUCTION, SALES AND WORKING RESULTS :

The performance of the Company was improved marginally during the year under review compared to the year 2002-03 in spite of several adverse factors beyond the control of the Company.

The production of Mineral Water Bottles during the year under review was 32 lacs pcs. compared to 35 lacs pcs. during 2002-03. The Company also undertook jobwork of pet bottles of 46 lacs pcs. during the year under review.

The Sales and other income increased to Rs. 196 lacs during the year under review compared to Rs. 155 lacs during 2002-03. The Operating Profit (before Interest and Depreciation) increased to Rs. 71.48 lacs compared to Rs. 42.69 lacs during 2002-03. After providing for Interest, the Profit before Depreciation stood at Rs. 49.33 lacs during the year under review compared to Rs. 20.80 lacs during 2002-03. The Net Profit of the Company was Rs. 3.15 lacs compared to Loss of Rs. 25.83 lacs during 2002-03.

4. FUTURE PLANS:

The Board of Directors have decided to pursue activities of manufacture and sale of refined medical and pharmaceutical products as mentioned in Clause 4 of 'Other Objects' of the Memorandum of Association of the Company after obtaining approval of the Shareholders by way of Special Resolution in the ensuing Annual General Meeting.

5. FINANCE :

5.1 During the year, the Company has continues to repay interest and principal amount to Banks as per rescheduled payment period.

5.2 The Company's Income-tax Assessment has been completed upto the Assessment Year 2001-02 and Sales-tax Assessment has been completed upto the Year 2001-02.

6. DIRECTORS :

6.1 Two of your Directors viz. Smt. Shilaben S. Shah and Smt. Ritaben S. Shah retire by rotation in terms of Articles 153 and 154 of the Articles of Association of the Company. They, being eligible, have offered themselves for reappointment.

6.2 The Board of Directors, on the basis of the recommendation of the Remuneration Committee and subject to the approval of the Shareholders, in their meeting held on 30th June, 2004 have reappointed Shri Sanjay S. Shah as Managing Director of the Company for a further period of 5 years w. e. f. 16th January, 2005. The terms and conditions of his reappointment have been enumerated in the Notice convening 18th Annual General Meeting.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2004 being end of the financial year 2003-04 and of the Profit of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for 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;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

8. DEMATERIALISATION OF EQUITY SHARES:

To facilitate holding of securities in dematerialised/electronic form, the Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Thus, shareholders have an option to dematerialise their shares with either of the depositories. The ISIN No. allotted is INE214D01013.

9. PERSONNEL AND H.R.D.:

Your Directors are glad to report that the industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H.R.D.

10. CORPORATE GOVERNANCE:

The report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

11. LISTING :

The Equity Shares of the Company are listed on Ahmedabad, Mumbai and Delhi Stock Exchanges and the Company has paid Annual Listing Fees upto the year 2004-05.

12. GENERAL:**12.1 INSURANCE:**

The Company's properties including building, plant and machinery, stocks, stores etc. continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages, machinery breakdown etc.

12.2 AUDITORS:

The present Auditors of the Company M/s. Shah & Dalal, Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. They have submitted certificate for their eligibility for re-appointment under Section 224(1-B) of the Companies Act, 1956. The notes of the Auditors for non-provision of doubtful debts amounting to Rs. 5,62,952/- and non-recognition of deferred tax assets/liabilities are self-explanatory.

12.3 PARTICULARS OF EMPLOYEES:

None of the employees of the Company is drawing remuneration requiring disclosure under Section 217 (2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

12.4 DEPOSITS:

The Company has not accepted any deposit as defined under the Companies (Acceptance of Deposits) Rules, 1975.

13. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:**A. Conservation of Energy : Measures taken for Conservation of Energy, additional proposals and its impacts:**

The Company has installed individual capacitors to various machineries in the process. This has resulted in the saving of power to large extent.

Total energy consumption and energy consumption per unit of production as per Form-A prescribed in the Rules is at Annexure - I to this report.

**BISIL PLAST LIMITED**

- B. Technology absorption :** Efforts made in technology absorption as per Form B prescribed in the Rules is at Annexure - II to this report.
- C. Foreign Exchange Earnings and Outgo :** The Company has not earned or spent any Foreign Exchange during the year under review.

14. ACKNOWLEDGMENT:

Your Directors express their sincere gratitude for the assistance and co-operation extended by Banks, Government authorities, Shareholders, Suppliers and Customers.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at their levels towards achievements of the Company's goals.

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2004.

Surendra T. Shah
Chairman

ANNEXURE - I
FORM - A

Disclosure of particulars with respect to Conservation of Energy:**A. Power and Fuel Consumption**

	2003-04	2002-03
1. Electricity		
a) Purchased Unit	236456	218280
Total amount (Rs. in Lacs)	11.61	10.15
Rate per Unit Rs.	4.91	4.65
b) Own generation		
Through Diesel Generator		
Unit	6460	6754
Unit per Ltr. of Diesel oil	2.80	2.99
Cost per Unit Rs.	9.29	6.96
2. Coal	NIL	NIL
3. Furnace oil	NIL	NIL
4. LSHS	NIL	NIL

B. Consumption per lac of Bottles of Production

Products	PET Bottles	SBM
Bottles		
Electricity Unit	3130	6348

ANNEXURE - II
FORM - B

Disclosure of Particulars with respect to Technology Absorption:**1) Research and Development (R & D), its benefits and future plan of actions:**

The R & D Wing have designed process to manufacture PET Bottles in various volumes and shapes. As a result of continuous efforts, the Company has been able to pack mineral water in various volumes and shapes of Pet Bottles. The company has developed new moulds of different shapes and volumes of Pet bottles to suit requirement of the market with a view to tap the increasing market potential for mineral water.

The Company is in the process to put up ultramodern laboratories for complete testing of water for chemical and microbiological aspects so as to ensure utmost quality of mineral water and in par with Bureau of Indian Standards IS:14543.

2) Technology absorption, adaptation and innovation

The Company has not imported technology so far. The suggestions of plant & machinery suppliers and R & D Department are being incorporated continuously to improve the quality and process of manufacturing PET Bottles.

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2004.

Surendra T. Shah
Chairman