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33rd annual report 1997-98

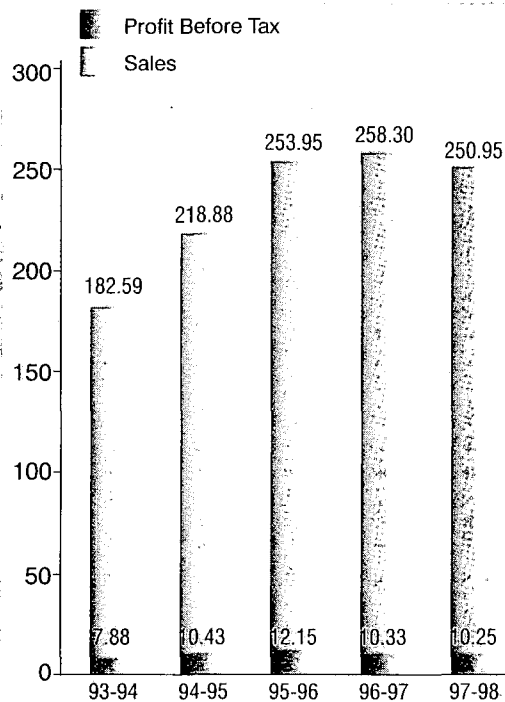
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DIRECTOR (Legal)
1998

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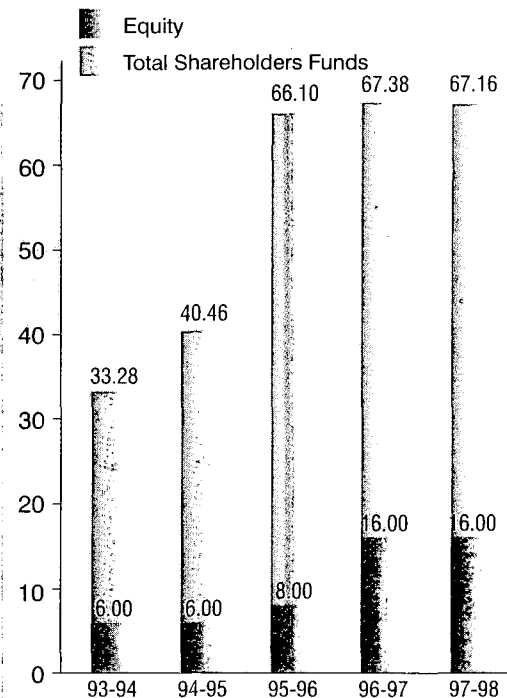


Blow Plast Ltd.

SALES & P. B. T. (Rs. Cr.)

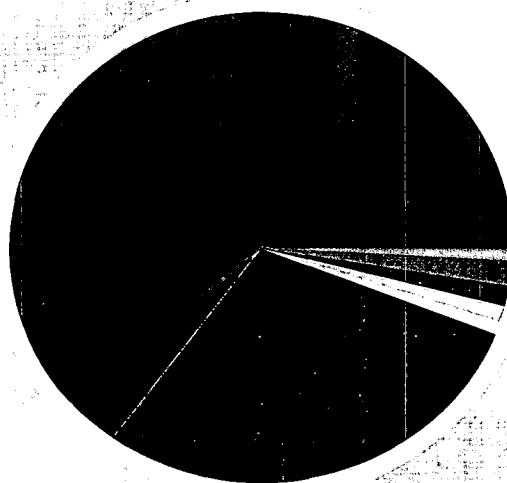


SHAREHOLDERS' FUNDS (Rs. Cr.)



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DISTRIBUTION OF INCOME



- Materials Consumed - 61.44%
- Employees Remuneration - 3.67%
- Other Expenses - 28.92%
- Interest - 1.10%

- Depreciation - 0.88%
- Taxes - 1.50%
- Dividend - 1.56%
- Retained Earnings - 0.93%



Blow Plast Ltd.

DIRECTORS

| | |
|----------------------|---|
| MR. DILIP G. PIRAMAL | <i>Chairman</i> |
| MR. SANJEEV AGA | <i>Managing Director</i> |
| MR. B. C. DALAL | } <i>Directors</i> |
| MR. N. R. DAVAR | |
| MR. E. B. DESAI | |
| DR. GITA D. PIRAMAL | |
| MR. M. J. TIBREWALA | |
| MR. A. G. WAREY | |
| MR. F. B. CARDOSO | <i>Whole-time Director (Luggage Division)</i> |

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

MR. M. K. ARORA

AUDITORS

M/S. M. L. BHUWANIA & CO.

Chartered Accountants

M/S. SURESH SURANA & ASSOCIATES

Chartered Accountants

BANKERS

Canara Bank
Syndicate Bank
State Bank of India
Bank of India
Allahabad Bank

REGISTERED OFFICE

88-C, Old Prabhadevi Road,
Mumbai - 400 025.

REGISTRARS & SHARE TRANSFER AGENTS

Spectrum Corporate Services Ltd.
Shree Ganesh Industrial House,
1st Floor, B Wing, Near Amar Cinema,
W. T. Patil Marg, Chembur,
Mumbai - 400 071.

33rd Annual General Meeting

Date - 23rd December, 1998
Day - Wednesday
Time - 11.30 a.m.
Place - Walchand Hirachand
Hall, Indian Merchants'
Chamber, Churchgate,
Mumbai 400 020

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF ANNUAL REPORT TO THE ANNUAL GENERAL MEETING.

33rd

Annual Report 1997-98

FINANCIAL HIGHLIGHTS

| YEARS ENDED | 31st July 1989 | 31st July 1990 | 31st March 1991 (8 Months) | 31st March 1992 |
|--|-------------------|-------------------|----------------------------------|--------------------|
| A. SUMMARISED BALANCE SHEET | | | | |
| Assets Employed : | | | | |
| Fixed Assets (Net) | 42,561 | 39,831 | 37,360 | 29,090 |
| Investments | 17,258 | 3,057 | 1,373 | 8,390 |
| Net Current Assets | 84,643 | 76,101 | 117,659 | 190,684 |
| | <u>144,462</u> | <u>118,989</u> | <u>156,392</u> | <u>228,164</u> |
| Financed By : | | | | |
| Shareholders' Funds | 58,287 | 65,021 | 80,107 | 140,527 |
| Loan Funds | 86,175 | 53,968 | 76,285 | 87,637 |
| | <u>144,462</u> | <u>118,989</u> | <u>156,392</u> | <u>228,164</u> |
| B. SUMMARISED OPERATIONS | | | | |
| Sales | 779,613 | 1,075,033 | 811,280 | 1,500,767 |
| Gross Profit after interest | 12,800 | 30,791 | 35,026 | 111,219 |
| Depreciation | 8,304 | 8,351 | 4,740 | 5,695 |
| Profit before Tax | 4,496 | 22,440 | 30,286 | 105,524 |
| Taxation | 1,350 | 11,650 | 10,200 | 35,198 |
| Profit after Tax | 3,146 | 10,790 | 20,086 | 70,326 |
| Dividends | 3,000 | 5,000 | 5,000 | 10,000 |
| Retained Earnings | 1,039 | 5,805 | 15,086 | 60,420 |
| C. KEY RATIOS/PERCENTAGES | | | | |
| Profit before Tax/Sales % | 0.57 | 2.08 | 3.73 | 7.03 |
| Profit after Tax/Shareholders' Funds % | 5.39 | 16.59 | 25.07 | 50.04 |
| Earnings per Equity Share (Rs.) | 2.00 | 5.40 | 10.00 | *17.60 |
| Net Worth per Equity Share % | 291.4 | 325.1 | 400.5 | 351.3 |
| Sales : Fixed Assets (Net) | 18.3:1 | 27:1 | 22:1 | 51:1 |
| Current Ratio | 1.7:1 | 1.7:1 | 2.1 | 2.5:1 |
| Dividend % | 15 | 25 | 25 | 25 |
| D. BONUS/RIGHTS ISSUES | | | | |
| | | | | 1:1 (Bonus) |

* Based on increased capital after Bonus Issue.

** Pro-rata based on weighted Average Capital.

Blow Plast Ltd.



| 31st March 1993 | 31st March 1994 | 31st March 1995 | 31st March 1996 | 31st March 1997 | Rupees in '000 31st March 1998 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------------------|
| 30,335 | 31,487 | 131,317 | 264,079 | 255,004 | 190,907 |
| 47,259 | 134,380 | 129,429 | 297,873 | 434,810 | 631,507 |
| 222,511 | 245,760 | 452,208 | 352,297 | 392,148 | 340,662 |
| <u>300,105</u> | <u>411,627</u> | <u>712,954</u> | <u>914,249</u> | <u>1,081,962</u> | <u>1,163,076</u> |
| 152,527 | 332,823 | 404,611 | 661,041 | 673,770 | 671,556 |
| 147,578 | 78,804 | 308,343 | 253,208 | 408,192 | 491,520 |
| <u>300,105</u> | <u>411,627</u> | <u>712,954</u> | <u>914,249</u> | <u>1,081,962</u> | <u>1,163,076</u> |
| 1,617,398 | 1,825,949 | 2,188,759 | 2,539,505 | 2,582,991 | 2,509,546 |
| 48,460 | 83,363 | 114,944 | 146,275 | 135,149 | 124,938 |
| 4,528 | 4,512 | 10,619 | 24,806 | 31,882 | 22,468 |
| 43,932 | 78,851 | 104,325 | 121,469 | 103,267 | 102,470 |
| 21,400 | 36,700 | 12,000 | 1,000 | 47,000 | 34,600 |
| 22,532 | 42,151 | 92,325 | 120,469 | 56,267 | 67,870 |
| 10,000 | 16,965 | 21,000 | 24,500 | 40,000 | 40,000 |
| 12,532 | 24,380 | 71,325 | 95,969 | 12,267 | 23,870 |
| 2.72 | 4.31 | 4.76 | 4.78 | 4.00 | 4.08 |
| 14.77 | 12.66 | 22.81 | 18.22 | 8.35 | 10.11 |
| 5.60 | **7.45 | 15.38 | **17.21 | *3.52 | 4.24 |
| 381.3 | 554.7 | 674.3 | 826.3 | 421.1 | 419.7 |
| 53:1 | 58:1 | 16:1 | 10:1 | 10:1 | 13:1 |
| 3.2:1 | 2.8:1 | 4.1:1 | 2:1 | 2:1 | 1.7:1 |
| 25 | 30 | 35 | 35 | 25 | 25 |
| | 1:2 (Rights) | | | 1:1 (Bonus) | |

33rd

Annual Report 1997-98

NOTICE

NOTICE is hereby given that the Thirty-Third Annual General Meeting of the members of **BLOW PLAST LIMITED** will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, Churchgate, Mumbai 400 020 on Wednesday the 23rd December, 1998 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date, the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. E. B. Desai, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. R. Davar, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Shri A. G. Warey, who was appointed as an Additional Director and holds office till the conclusion of this Annual General Meeting, be and is hereby appointed as a Director of the Company."
7. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Sanjeev Aga as Managing Director of the Company for a further period of 5 years w.e.f. 1.2.1998 on the terms and conditions, including remuneration and perquisites as set out in the draft Agreement placed before this Meeting to be entered into between the Company and Mr. Sanjeev Aga."
"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to the resolution."
8. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT the sanction of the company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors immovable properties of the Company, present and future, particularly known as V.I.P. House and located at 88 C, Old Prabhadevi Road, Mumbai - 400 025 situate in the State of Maharashtra to secure a Foreign Currency Term Loan (under ECB) to the extent of US \$ 3.00 million advanced by Bank of India to the Company together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages and commitment charges and the Board of Directors of the Company be and is hereby authorised to finalise with Bank of India the documents for creating aforesaid mortgage and /or charge and to do all such acts and things as may be necessary for giving effect to this resolution."
9. 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 370 of the Companies Act, 1956, the Board of Directors be and is hereby authorised, on such terms and conditions as the Board may think fit, to give any guarantee or provide any security, in connection with loans made by any other person to or to any other person by any body corporate whether or not under the same management as the Company upto a limit of Rs. 200 crores outstanding at any one time, provided that such giving of guarantee or providing of security is in the opinion of the Board made only for furthering the business interest of the Company."
10. 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 314 of the Companies Act, 1956 consent of the Company be



Blow Plast Ltd.

NOTICE (Contd.)

and is hereby accorded to Ms. Aparna D. Piramal, a relative of Mr. Dilip G. Piramal, Chairman and Dr. Gita D. Piramal, Director to hold office or place of profit in the company w.e.f. 1.12.1997 on terms and conditions including remuneration and perquisites as set out in the letter of appointment placed before the meeting."

"FURTHER RESOLVED THAT the authority be and is hereby accorded to the Board of Directors of the Company to modify from time to time the terms of appointment including remuneration/designation as they may deem fit, subject to approvals, if any, required under provisions of the Companies Act, 1956."

By Order of the Board of Directors

M. K. ARORA
Vice President (Legal)
& Company Secretary

Registered Office :
88-C, Old Prabhadevi Road,
Mumbai - 400 025.

Dated : 23rd October, 1998.

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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 6

Mr. A. G. Warey was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 23rd October, 1998 under Section 260 of the Companies Act, 1956 and holds office only upto the date of this meeting. The company has received notices in writing under Section 257 of the Companies Act, 1956, from certain shareholders intimating their intention to propose Mr. A. G. Warey a candidate for the office of director. Mr. A. G. Warey is 49 years of age and B. Tech (Hons) in Mechanical Engineering from I.I.T. Kharagpur. He has over 28 years of experience.

The Board of Directors, recommend the Resolution for your approval.

None of the Directors, other than Mr. A. G. Warey is concerned or interested in the aforesaid resolution.

ITEM NO. 7

Mr. Sanjeev Aga was appointed as Managing Director of the Company w.e.f. 1st February, 1993 for a period of 5 years. His term of appointment expired on 31.1.1998.

The Board of Directors in its meeting held on 27th November, 1997 had re-appointed Mr. Sanjeev Aga as the Managing Director of the Company for a period of five years w.e.f. 1.2.1998 subject to approval of the Members. Mr. Sanjeev Aga has since resigned from the post of Managing Director w.e.f. 18.11.1998. Mr. Sanjeev Aga's re-appointment was on the following remuneration :

SALARY : Rs. 80,000 per month in the scale of Rs. 80,000 - Rs.1,80,000.

Increments within the salary scale will be decided by the Board of Directors from time to time as they may deem fit.

COMMISSION : Such amount by way of commission, as may be decided by the Board for each financial year upto maximum 1% of the net profits of the Company computed in the manner laid down in Section 309(5) of the Act, and subject to the overall ceilings stipulated in Sections 198 and 309 of the Act.

PERQUISITES : Following perquisites in addition to salary, restricted to a maximum amount equivalent to Annual Salary. For the purposes of calculating the ceiling, the perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, they shall be evaluated at actual cost.

Housing

Furnished residential accommodation.

Medical Reimbursement

Reimbursement of actual expenses for self and family as per rules of the Company, not exceeding one month's salary per annum OR three months' salary over a period of three years.

Leave Travel Concession :

For self and family once in a year as per rules of the Company.

Club fees :

Fees of two clubs. This will not include admission and life membership fees.

Personal Accident Insurance

The annual premium shall not exceed Rs. 4000/-.

Provident Fund :

Company's contribution subject to a ceiling of 12% of salary.

Pension / Superannuation fund :

Company's contribution subject to a ceiling of 15% of salary.

Gratuity :

As per rules of the Company.



Blow Plast Ltd.

ANNEXURE TO NOTICE (Contd.)

Earned / Priviledge leave :

On full pay and allowance, one months leave for every eleven months of service; Encashment of leave accumulated but not availed at the end of tenure of office, in accordance with the Rules of the Company.

Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

For the purpose of Superannuation / Pension / Provident Fund / Gratuity / Commission and Priviledge leave the service of the Managing Director will be considered from the original date of his joining the services and termination / renewal of service agreement will not be considered as a break of service.

Car & Telephones :

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Sitting Fees :

The Managing Director shall not be paid any sitting fees for attending the Board / Committee meetings.

General :

The Managing Director shall be eligible for financial assistance for housing etc. as per rules of the Company.

The Managing Director shall be subject to other service conditions, rules and regulations of the Company.

Minimum Remuneration :

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. Sanjeev Aga shall be entitled to receive such minimum remuneration as is permissible under Section II of Part II of Schedule XIII of the Act.

The Board of Directors, recommend the Resolution for your approval.

No Director of the Company, other than Mr. Sanjeev Aga, is concerned or interested in the aforesaid contract / appointment.

ITEM NO. 8

Bank of India has granted a Foreign Currency Term Loan (under ECB) to the extent of US \$ 3.00 million to the Company. As per the sanction terms, the loan is required to be secured by mortgaging and/or charging Company's immovable property known as V.I.P. House situated at 88 C, Old Prabhadevi Road, Mumbai - 400 025. The sanction of the shareholders is required under section 293(1)(a) of the Companies Act, 1956 for creation of the said mortgage or charge.

The Board of Directors recommend the Resolution for your approval.

None of the Directors is concerned or interested in the above resolution.

ITEM NO. 9

In the course of its business it becomes necessary to give guarantees or provide securities in connection with loans made by any other person to or to any other person by other bodies corporate. To cover the further guarantees and securities as and when they are required to be given in respect of loans, it is considered advisable and necessary to obtain the consent of the members by a Special Resolution giving necessary authority to the Board of Directors of the Company to give guarantees and/or provide securities upto an aggregate limit of Rs. Two Hundred Crores outstanding at any one point of time.

ANNEXURE TO NOTICE (Contd.)

The Board of Directors, recommend the Resolution for your approval.

None of the Directors is concerned or interested in the above resolution.

ITEM NO. 10

At the Board Meeting held on 27th November, 1997, Ms. Aparna D. Piramal was appointed as Management Trainee in the Luggage Division, on basic salary of Rs. 4100/- per month together with usual allowances and benefits including bonus, gratuity, Provident Fund etc as set out in the letter of appointment dt. 1/12/97 placed before the meeting. Ms. Aparna Piramal, is an Arts Graduate and has worked as research analyst with ITN London and MARG, Mumbai.

Ms. Aparna D. Piramal is a relative of Mr. Dilip G. Piramal, Chairman and Dr. Gita D. Piramal, Director and accordingly this resolution is placed for your approval under Section 314 of the Companies Act, 1956.

The Board of Directors, recommend the Resolution for year approval.

No Director of the Company, other than Mr. Dilip G. Piramal and Dr. Gita D. Piramal, is concerned or interested in the aforesaid resolution.

By Order of the Board of Directors

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M. K. ARORA
Vice President (Legal)
& Company Secretary

Place : Mumbai

Dated : 23rd October, 1998