

CERTIFIED TRUE COPY

FOR BLOW PLAST LIMITED

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

35th

A n n u a l R e p o r t

Report  junction.com

1999 - 2000



Blow Plast Ltd.

A n n u a l R

DIRECTORS

MR. DILIP G. PIRAMAL	<i>Chairman</i>
MR. B. C. DALAL	} <i>Directors</i>
MR. N. R. DAVAR	
MR. E. B. DESAI	
Mr. G. L. MIRCHANDANI	
DR. GITA D. PIRAMAL	
MR. M. J. TIBREWALA	
MR. A. G. WAREY	<i>Managing Director</i>
MR. K. C. GUPTA	<i>Director (Finance)</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

Intime Spectrum Registry Pvt. Ltd.
260 Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (West),
Mumbai - 400 080.

35th Annual General Meeting

Date - 29th September, 2000

Day - Friday

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.

 **Blow Plast Ltd.** 1

FINANCIAL HIGHLIGHTS

YEARS ENDED	31st March 1991 (8 Months)	31st March 1992	31st March 1993	31st March 1994
A. SUMMARISED BALANCE SHEET				
Assets Employed :				
Fixed Assets (Net)	37,360	29,090	30,335	31,487
Investments	1,373	8,390	47,259	134,380
Net Current Assets	117,659	190,684	222,511	245,760
	<u>156,392</u>	<u>228,164</u>	<u>300,105</u>	<u>411,627</u>
Financed By :				
Shareholders' Funds	80,107	140,527	152,527	332,823
Loan Funds	76,285	87,637	147,578	78,804
	<u>156,392</u>	<u>228,164</u>	<u>300,105</u>	<u>411,627</u>
B. SUMMARISED OPERATIONS				
Sales	811,280	1,500,767	1,617,398	1,825,949
Gross Profit after interest	35,026	111,219	48,460	83,363
Depreciation	4,740	5,695	4,528	4,512
Profit before Tax	30,286	105,524	43,932	78,851
Extra Ordinary Item	—	—	—	—
Taxation	10,200	35,198	21,400	36,700
Profit after Tax	20,086	70,326	22,532	42,151
Dividends (including dividend tax)	5,000	10,000	10,000	16,965
Retained Earnings	15,086	60,420	12,532	24,380
C. KEY RATIOS/PERCENTAGES				
Profit before Tax/Sales %	3.73	7.03	2.72	4.31
Profit after Tax/Shareholders' Funds %	25.07	50.04	14.77	12.66
Earnings per Equity Share (Rs.)	10.00	*17.60	5.60	**7.45
Net Worth per Equity Share %	400.5	351.3	381.3	554.7
Sales : Fixed Assets (Net)	22:1	51:1	53:1	58:1
Current Ratio	2:1	2.5:1	3.2:1	2.8:1
Dividend %	25	25	25	30
D. BONUS/RIGHTS ISSUES				
		1:1 (Bonus)		1:2 (Rights)

* Based on increased capital after Bonus Issue.

** Pro-rata based on weighted Average Capital.

A n n u a l R e p o r t

31st March 1995	31st March 1996	31st March 1997	31st March 1998	31st March 1999	Rupees '000 31st March 2000
131,317	264,079	255,004	190,907	189,600	163,258
129,429	297,873	434,810	631,507	733,069	719,258
452,208	352,297	392,148	340,662	344,561	318,378
<u>712,954</u>	<u>914,249</u>	<u>1,081,962</u>	<u>1,163,076</u>	<u>1,267,230</u>	<u>1,200,894</u>
404,611	661,041	673,770	671,556	697,102	705,553
308,343	253,208	408,192	491,520	570,128	495,341
<u>712,954</u>	<u>914,249</u>	<u>1,081,962</u>	<u>1,163,076</u>	<u>1,267,230</u>	<u>1,200,894</u>
2,188,759	2,539,505	2,582,991	2,509,546	2,657,030	2,432,642
114,944	146,275	135,149	124,938	135,550	120,591
10,619	24,806	31,882	22,468	22,875	23,257
104,325	121,469	103,267	102,470	112,675	97,334
—	—	—	—	3,083	6,834
12,000	1,000	47,000	34,600	34,000	30,000
92,325	120,469	56,267	67,870	75,592	60,500
21,000	24,500	44,000	44,000	44,400	44,400
71,325	95,969	12,267	23,870	31,192	16,100
4.76	4.78	4.00	4.08	4.12	3.72
22.81	18.22	8.35	10.11	10.84	8.57
15.38	**17.21	*3.52	4.24	4.72	3.78
674.3	826.3	421.1	419.7	435.6	440.9
16:1	10:1	10:1	13:1	14:1	15:1
4.1:1	2:1	2:1	1.7:1	1.8:1	1.9:1
35	35	25	25	25	25
		1:1 (Bonus)			



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D I R E C T O R S ' R E P O R T

Your Directors present their 35th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2000.

(Rs. in Crores)

	Year Ended 31.03.2000	Year Ended 31.03.1999
Sales, Income from Operations & Other Income	251.07	271.13
Gross Profit	12.06	13.55
Depreciation	2.33	2.28
Profit before tax & extraordinary items	9.73	11.27
Extraordinary items	0.68	0.31
Tax Provision	3.00	3.40
Profit after tax	6.05	7.56
Profit brought forward from previous year	2.22	0.18
I.A.(Utilised) Reserve written back	0.02	—
Profit available for appropriation	8.29	7.74

OVERALL PERFORMANCE AND OUTLOOK

Sales during the year under review at Rs. 251.07 crores were marginally lower than the previous year (Rs.271.13 crores) mainly due to discontinuation of marketing of toys, manufacture and sale of moulded components and strategic realignment of Ergonomics business. The profit after tax at Rs. 6.05 crores was lower compared to previous year (Rs. 7.56 crores) due to additional expenditure incurred by the Company on advertisement and publicity as a part of brand building exercise.

LUGGAGE : The Company has maintained its leadership position in the luggage business in spite of increased competition. This was made possible through sustained brand building, improved efficiencies, innovative marketing programmes and customer relations supported by introduction of new products both in hard and soft luggage segments. The VIP brand has been recognised as India's 7th most admired brand in an independent survey.

BLOWPLAST ERGONOMICS : In response to market needs the Company has during the year undertaken a strategic realignment of the Office Furniture Systems business. The focus of this business has shifted from product sales to providing value added services eg. designing, CAD, consultancy, installation, product promotion and marketing of Office Furniture Systems. This move is expected to further strengthen the profitability of this business segment.

The Company looks to the year ahead with confidence.

Reserves of the Company now stand at Rs. 56.15 crores.

DIVIDEND

Your Directors had on March 30, 2000 approved payment of interim dividend of Rs. 2.50 per share (@ 25%). The Board recommends for your approval that this interim dividend be taken as final dividend for the year.

DEPOSITORY

As you are aware your Company's shares are eligible for dematerialisation since July, 1997 through National Securities Depository Ltd. (NSDL). During the year your Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) making its shares eligible for Demat also through CDSL. Shareholders now have the option/discretion to hold their Demat shares through NSDL or CDSL.

Shareholders are advised that as per SEBI's notification your Company's equity shares will be traded only in Demat form for all Investors w.e.f. 20th June, 2000. The shareholders are requested to get their holdings dematerialised at the earliest.

A n n u a l R e p o r t

Blow Plast Ltd. (Company)

PUBLIC DEPOSITS

The Company has not received instructions from 171 depositors for repayment of deposits amounting to Rs. 14.76 lacs as at 31st March, 2000. Since then 66 deposits totalling Rs. 5.54 lacs have been either repaid or renewed.

LISTING OF EQUITY SHARES

The Company's equity shares are listed on the Stock Exchange, Mumbai situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Company has paid the listing fees for the period 1st April, 2000 to 31st March, 2001.

STATUS OF Y2 K COMPLIANCE

The Y2K transmission was smooth and without any disruption to the Company's operations.

DIRECTORS

Mr. A. G. Warey has been appointed as Managing Director and Mr. K. C. Gupte has been appointed as Director (Finance) w.e.f. 1st August, 1999.

Mr. G. L. Mirchandani has been appointed as an Additional Director w.e.f. 22nd May, 2000. He holds office till the date of ensuing Annual General Meeting. Notices in writing under section 257 of the Companies Act, 1956 have been received from few members of the Company proposing his candidature.

Dr. Gita D. Piramal and Mr. M. J. Tibrewala, Directors retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s. M. L. Bhuwania & Co. and M/s. Suresh Surana & Associates, Auditors of the Company retire at the ensuing Annual General Meeting and express their willingness to continue if so appointed.

CONSERVATION OF ENERGY, ETC.

Additional information as required in terms of the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith and forms part of this report (Annexure A).

PARTICULARS OF EMPLOYEES

Particulars required under Section 217(2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are annexed to and form part of this report. (Annexure B).

ACKNOWLEDGEMENT

Your Directors record their gratitude to the Financial Institutions, Banks and other Government departments for their assistance and co-operation during the year. Your Directors also wish to place on record their appreciation of the dedicated services of the employees of the Company.

On behalf of the Board of Directors

A. G. WAREY
Managing Director

GITA D. PIRAMAL
Director

Mumbai
22nd May, 2000



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DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The Company is predominantly a marketing and investment company and hence its energy consumption is relatively low.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Please refer to the explanation provided in (a) above.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : Not applicable

d) Total energy consumption and energy consumption per unit of production : Form 'A' of the annexure to the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988, is not applicable.

B) TECHNOLOGY ABSORPTION

Not applicable

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned during the year :

Amount (Rupees in lacs)

Used	79.25
Earned	—

On behalf of the Board of Directors

A. G. WAREY
Managing Director

GITA D. PIRAMAL
Director

Mumbai
22nd May, 2000

A n n u a l R e

P O R T (P G B)

STATEMENT REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 REFERRED TO IN THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000 & FORMING PART THEREOF.

Sr No.	Name of the Employee	Designation	Date of Joining	Age	Qualification	Experience In Years	Remuneration Rs.	Last Employment held & Designation
1	Mr. Arora M. K.	Vice President (Legal) & Company Secretary	01.12.1995	57	M.Com.,LLB, ACIS, ACS, AICWA	33	751,871	Varun Shipping Co. Ltd., - General Manager
*2	Mr. Banerjee R. K.	Sr. Vice President (Furniture)	02.10.1989	49	B.Tech, PGDM	24	569,253	Indian Shaving Products Ltd. - General Manager
3	Mr. Gupte K. C.	Director (Finance)	01.09.1996	48	B.Com., AICWA., DMA	28	1,294,641	DGP Windsor India Ltd., - Vice President (Finance)
*4	Mr. Rao Ramchandra	Vice President (Personnel)	01.01.1993	43	B.Com., PGDIR&W	20	127,212	Aristocrat Mktg. Ltd., - Sr. Manager (Personnel)
*5	Mr. Sawhney Rajiv	Vice President (Luggage)	05.10.1990	39	B.A., PGDM	19	100,948	Jenson & Nicholson (I) Ltd., - Branch Manager
*6	Mr. Vashishta Yogendra	Executive Vice President (Sales & Marketing)	09.03.2000	38	B.Sc (Hons)., M.B.A.	13	68,900	M.B.L. International Asia Pacific - Regional Director
*7	Mr. Warey A. G.	Managing Director	01.08.1999	51	B.Tech (Hons).	30	1,174,052	V.I.P. Industries Ltd. - Managing Director

Note :

- 1.* Against Sr. No. indicates that the employee was in service only for a part of the year.
2. Remuneration includes Salary, Bonus, Company's Contribution to Provident Fund, Superannuation Fund, Leave Travel Assistance, Reimbursement of Medical expenses, House rent & other allowances, monetary value of rent free accommodation and other perquisites as per Income Tax Rules. It excludes provision for Company's contribution to Gratuity Fund and Gratuity claims settled by Blow Plast Limited Employees Gratuity Fund.
3. All appointments other than that of Mr. Warey A. G., Managing Director and Mr. Gupte K. C., Director (Finance) are non contractual.
4. None of the above employees are related to any of the Directors of the Company.

On behalf of the Board of Directors

A. G. WAREY
Managing Director

GITA D. PIRAMAL
Director

Mumbai
22nd May, 2000



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A U S D I T O R S ' R E P O R T

TO THE SHAREHOLDERS

BLOW PLAST LTD.

We have audited the attached Balance Sheet of BLOW PLAST LTD. as at 31st March, 2000 and also the annexed Profit and Loss Account of the Company for the year ended 31st March, 2000 and report that: -

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Profit & Loss account and Balance-Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211;
 - e) In our opinion and to the best of our information and according to the explanations given to us, the Accounts read with other Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view-
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000; and
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

Report

For and on behalf of
M.L. BHUWANIA & CO.
Chartered Accountants

J. P. BAIRAGRA
Partner

For and on behalf of
SURESH SURANA & ASSOCIATES
Chartered Accountants

SURESH SURANA
Proprietor

Place : Mumbai

Dated : 22nd May, 2000

Re: BLOW PLAST LTD.

Annexure referred to in paragraph 1 of our report of even date.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that these fixed assets were physically verified by the management during the year and no material discrepancies between the book records and physical inventory have been noticed.
2. None of the fixed assets have been revalued during the year.
3.
 - i) The stock of finished goods, stores, spare parts and raw materials have been physically verified by the management during the year at reasonable intervals.
 - ii) The procedures of physical verification of stocks followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - iii) The discrepancies noticed on physical verification of stocks as compared to records were not material.
 - iv) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding period except for the changes required to comply with Accounting Standard 2, issued by The Institute Of Chartered Accountants Of India, which has been made mandatory with effect from 1st April, 1999.