

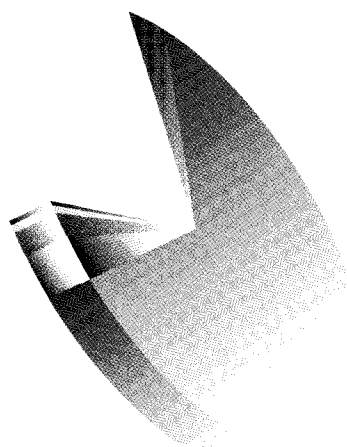
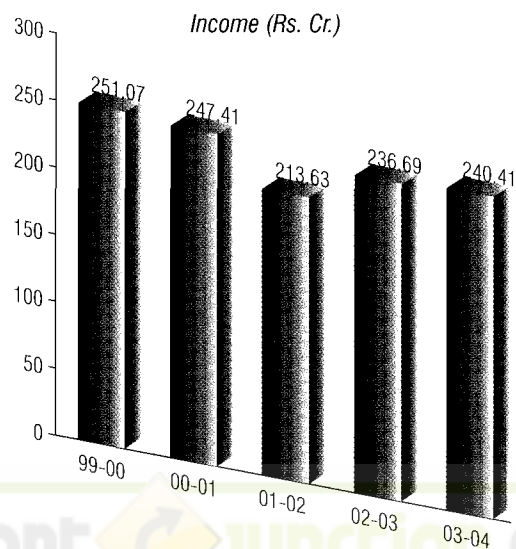
39th

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

2003 - 2004



Blow Plast Ltd.



Cost of Materials - 63.62%

Employees remuneration - 3.70%

Other Expenses - 27.04%

Depreciation - 0.49%

Income Tax - 0.51%

Dividend (including dividend tax) - 1.50%

Retained Earnings - 3.14%

Distribution of Income

Annual Report

DIRECTORS

MR. DILIP G. PIRAMAL	<i>Chairman</i>
MR. B. C. DALAL	
MR. G. L. MIRCHANDANI	
DR. GITA D. PIRAMAL	
MR. M. J. TIBREWALA	
MR. SUDHIR JATIA	<i>Managing Director</i>
MR. K. C. GUPTA	<i>Director (Finance)</i>

COMPANY SECRETARY

MR. MILIND D. PURANIK

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 Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai 400 078.

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39th Annual General Meeting

Date - 28th September, 2004
Day - Tuesday
Time - 3.30 p.m.
Place - Auditorium of The Synthetic
& Art Silk Mills' Research
Association (SASMIRA),
Dr. Annie Besant Road,
Worli, Mumbai - 400 025

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



Blow Plast Ltd. 1

YEARS ENDED	31st March 1995	31st March 1996	31st March 1997	31st March 1998
A. SUMMARISED BALANCE SHEET				
Assets Employed :				
Fixed Assets (Net)	131,317	264,079	255,004	190,907
Investments	129,429	297,873	434,810	631,507
Net Current Assets	452,208	352,297	392,148	340,662
	<u>712,954</u>	<u>914,249</u>	<u>1,081,962</u>	<u>1,163,076</u>
Financed By :				
Shareholders' Funds	404,611	661,041	673,770	671,556
Loan Funds	308,343	253,208	408,192	491,520
Deferred Tax Liability (Net)	—	—	—	—
	<u>712,954</u>	<u>914,249</u>	<u>1,081,962</u>	<u>1,163,076</u>
B. SUMMARISED OPERATIONS				
Sales	2,188,759	2,539,505	2,582,991	2,509,546
Gross Profit after interest	114,944	146,275	135,149	124,938
Depreciation	10,619	24,806	31,882	22,468
Profit before Tax	104,325	121,469	103,267	102,470
Extra Ordinary Item	—	—	—	—
Taxation	12,000	1,000	47,000	34,600
Profit after Tax	92,325	120,469	56,267	67,870
Dividends (including dividend tax)	21,000	24,500	44,000	44,000
Retained Earnings	71,325	95,969	12,267	23,870
C. KEY RATIOS/PERCENTAGES				
Profit before Tax/Sales %	4.76	4.78	4.00	4.08
Profit after Tax/Shareholders' Funds %	22.81	18.22	8.35	10.11
Earnings per Equity Share (Rs.)	15.38	**17.21	*3.52	4.24
Net Worth per Equity Share %	674.3	826.3	421.1	419.7
Sales : Fixed Assets (Net)	16:1	10:1	10:1	13:1
Current Ratio	4.1:1	2:1	2:1	1.7:1
Dividend %	35	35	25	25
D. BONUS/RIGHTS ISSUES			1:1	
			(Bonus)	

* Based on increased capital after Bonus Issue.

** Pro-rata based on weighted Average Capital.

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31st March 1999	31st March 2000	31st March 2001	31st March 2002	31st March 2003	Rupees '000 31st March 2004
189,600	163,258	147,217	126,796	116,100	94,980
733,069	719,258	463,333	463,333	427,114	427,110
344,561	318,378	347,947	221,323	156,375	293,227
<u>1,267,230</u>	<u>1,200,894</u>	<u>958,497</u>	<u>811,452</u>	<u>699,589</u>	<u>815,317</u>
697,102	705,553	527,525	519,595	416,214	492,955
570,128	495,341	430,972	270,305	267,199	312,394
—	—	—	21,552	16,176	9,968
<u>1,267,230</u>	<u>1,200,894</u>	<u>958,497</u>	<u>811,452</u>	<u>699,589</u>	<u>815,317</u>
2,657,030	2,432,642	2,372,884	2,096,438	2,334,672	2,366,582
135,550	120,591	67,079	48,388	71,506	147,241
22,875	23,257	18,032	16,104	15,644	11,845
112,675	97,334	49,047	32,284	55,862	135,396
3,083	6,834	207,228	4,144	4,426	11,539
34,000	30,000	17,700	3,839	13,623	12,792
75,592	60,500	(175,881)	24,301	37,813	111,065
44,400	44,400	—	16,000	27,075	36,100
31,192	16,100	—	12,518	10,618	75,492
4.12	3.72	—	1.34	2.39	5.72
10.84	8.57	—	4.68	9.08	22.53
4.72	3.78	—	1.52	2.36	6.94
435.6	440.9	329.7	324.7	260.1	308.1
14:1	15:1	16:1	17:1	20:1	25:1
1.8:1	1.9:1	2.2:1	1.7:1	1.5:1	2.6:1
25	25	—	10	15	20



Your Directors present their 39th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2004.

	Year Ended <u>31.03.2004</u>	(Rs. in Crores) Year Ended <u>31.03.2003</u>
Sales, Income from Operations & Other Income	240.41	236.69
Gross Profit	14.72	7.14
Depreciation	1.18	1.56
Profit before tax & extraordinary items	13.54	5.58
Extraordinary items	1.15	0.44
Tax Provision	1.90	1.90
Add : Deferred Tax	0.62	0.54
Profit / (Loss) after tax	11.11	3.78
Add / (Less) Prior year adjustment	0.05	(0.01)
Profit brought forward from previous year	2.05	1.18
Profit available for appropriation	13.21	4.95

OVERALL PERFORMANCE AND OUTLOOK

The turnover for the year under review at Rs. 240.41 crores was higher as compared to previous year (Rs. 236.69 crores). The Net Profit after Tax of Rs. 11.11 crores was higher by 194% (previous year Rs. 3.78 crores). This was possible mainly due to various marketing and cost control initiatives undertaken by the company during the year.

Detailed analysis of the operations of the company is included in the Management Discussion and Analysis Report forming part of the Annual Report.

The company looks to the year ahead with confidence.

Reserves of the Company now stand at Rs. 33.30 crores.

DIVIDEND

Your Directors are pleased to recommend for your consideration a dividend of 20% (previous year 15%).

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirements under 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 for the financial year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) that the Directors have 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 the end of the financial year and of the profit of the Company for that year under review.
- iii) that the Directors have taken proper and sufficient care for the 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.

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

2003-2004

iv) that the Directors have prepared the accounts for the financial year ending 31st March, 2004 on a 'going concern' basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance, are made a part of the Annual Report.

INSURANCE

All the assets of your Company, including Buildings and Equipments etc. have been adequately insured.

DEPOSITORY

As the members are aware, our company's shares are tradable compulsorily in electronic form and your company has established connectivity with both the depositories, i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the company's shares on either of the Depositories as aforesaid.

PUBLIC DEPOSITS

The company has not received instructions from 63 depositors for repayment of deposits amounting to Rs. 6.84 lacs as at 31st March, 2004. Since then 18 deposits totaling Rs. 2.19 lacs have been either repaid or renewed.

DIRECTORS

Mr. B. C. Dalal and Mr. G. L. Mirchandani, Directors retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s. M. L. Bhuwania & Co., Chartered Accountants and M/s. Suresh Surana & Associates, Chartered Accountants the Auditors of the company retire at the ensuing Annual General Meeting and have expressed 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

DILIP G. PIRAMAL
Chairman

Mumbai

29th June, 2004



Blow Plast Ltd. 5

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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	34.38
Earned	Nil

On behalf of the Board of Directors

Mumbai
29th June, 2004

DILIP G. PIRAMAL
Chairman

A N N E X U R E (B)

STATEMENT REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AS AMENDED REFERRED TO IN THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2004 & FORMING PART THEREOF.

Sr No.	Name of the Employee	Designation	Date of Joining	Age	Qualification	Experience In Years	Remuneration (Rs.)	Last/Other Employment held & Designation
1	Mr. Sudhir Jatia	Managing Director	07.06.2003	35	B.Com.	15	2,562,118	Universal Luggage Manufacturing Company Limited - Managing Director

Notes:

1. 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.
2. Appointment of Mr. Sudhir Jatia is contractual.
3. The above employee is not related to any of the Directors of the Company.

On behalf of the Board of Directors

Mumbai
Dated: 29th June, 2004

Dilip G. Piramal
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT

The structure of the luggage market in the country during the year has remained almost the same as previous year. Four large players continue to dominate the organized sector market. A few known brands from the Far East have made entry in the market and have started distribution in India. This however, has not made any significant impact on the overall structure of the luggage market.

Luggage from the unorganized sector continues to dominate the lower and middle segment of the market. On a rough estimate nearly two-third of this market is serviced by the unorganised sector. Some of these manufacturers are also continuously improving the product quality and price offerings.

Demand for soft luggage continues to grow at a good pace. The Company has been able to maintain its market share by new introductions and product innovations to cater to the diverse needs of customers at various price points.

The main players in the luggage market have started focusing on the ambience of the Retail luggage market. Besides Franchise route and big shopping Malls, the emphasis is also on the traditional dealer outlets to upgrade their retail shops.

B. OPPORTUNITIES AND THREATS

Increased travel, both on business and pleasure, offers the single biggest opportunity for growth in luggage industry. Besides, the fast changing aesthetic standards and diverse travel needs for different size and kind of luggage, present immediate growth opportunities. Casual bags for youth and increasing laptop ownership are other opportunities for growth. Your Company has already taken steps to cater to the needs of this market segment through its Personal Products initiative.

The threat is mainly from the unorganised sector particularly in the low and mid price segment. Unorganised sector has gained strength due to improved quality and cost advantage. Besides, imports from Far East and availability of cheap Chinese products are other major threats. Your Company is addressing these issues appropriately.

C. SEGMENT/PRODUCT WISE PERFORMANCE

The Company has only one business segment of marketing and distribution of luggage and accessories. The turnover for the year at Rs. 240.41 crores was higher as compared to Rs. 236.69 crores achieved last year.

D. OUTLOOK

The travel intensity and frequency are growing for both business and leisure reasons. Hence the industry prospects seem good for the next year. Through its better product portfolio, increased dealer retentions, increased distribution and better retail intervention, the Company is geared to continue to garner a dominant share of the growth.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

E. RISK & CONCERNS

Your Company is predominantly a marketing and distribution Company and therefore while it is not directly exposed to the risk of fluctuations in raw material prices or other manufacturing costs, these factors do affect the suppliers. In such case the suppliers may pass on the additional burden to the Company.

F. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Audit Department, which carries out regular audit at branches and head office. The emphasis is on improvement in systems and operating efficiencies.

G. FINANCIAL PERFORMANCE VIS-À-VIS OPERATIONAL PERFORMANCE

1. SALES

The Company has registered turnover of Rs. 240.41 crores as compared to Rs. 236.69 crores in the previous year and has maintained its market share in the branded segment.

2. MARKET DISCOUNTS

The Company has paid special attention to dealer and distribution network and has been successful in restricting the discounts and commission on sales in spite of difficult market conditions.

3. WORKING CAPITAL

The Company continued its thrust on sharpening its forecasting and administering techniques to improve Working Capital management. This has resulted in optimising the level of Inventory and Debtors.

4. PROFITS

The Profit after tax at Rs. 11.11 crores has registered an improvement of 194% over the previous year (Rs. 3.78 crores).

H. DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has maintained excellent relationship with all employees during the year.

The total number of employees at the end of year 03-04 was 307 as against 317 at the end of year 02-03.