

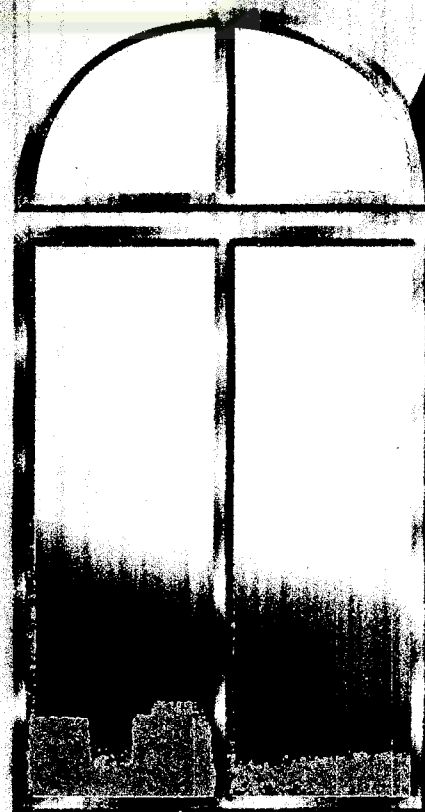


ESSEL PACKAGING LIMITED

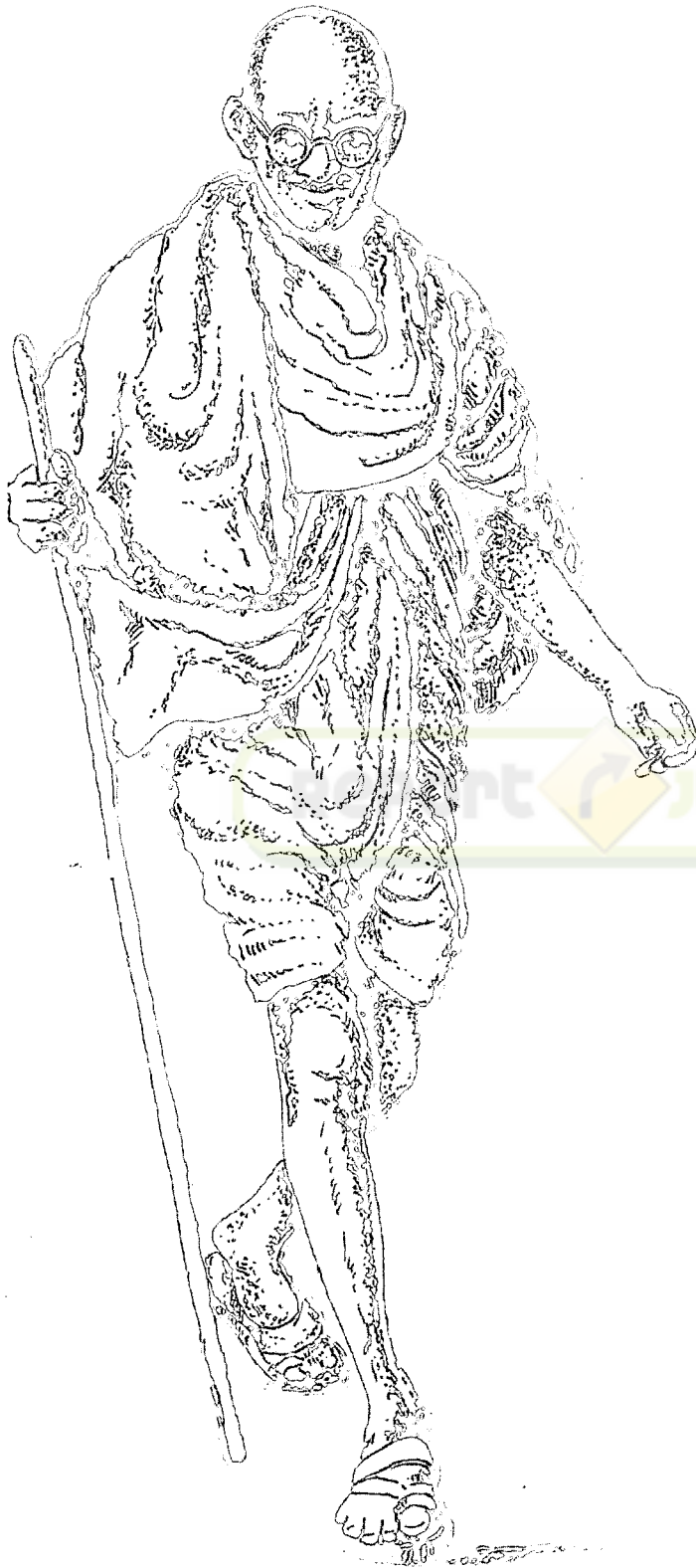
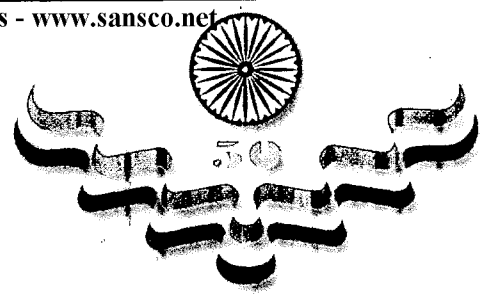
15th Annual Report 1997-98

EXC	✓
DEV	✓
DIV	✓
AS	✓
CS	✓

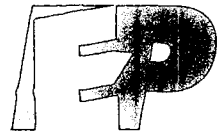
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**ESSEL PACKAGING LIMITED**

15th

Annual Report 1997-98**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **ESSEL PACKAGING LIMITED** will be held on Friday, 12th June, 1998, at the Registered Office of the Company at P.O. Vasind, Taluka Shahapur, Dist. Thane, Maharashtra - 421 604, at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 1998, the Audited Balance Sheet as on that date and the Reports of the Directors and the Auditors.
2. To declare final dividend.
3. To appoint a Director in place of Shri V.K. Badgamia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.S. Sanyal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary resolution:

"RESOLVED THAT the consent 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, for mortgaging and/or charging by the Board of Directors, all the immovable and movable properties of the Company, both at present and future at Vasind, Murbad and Wada in the State of Maharashtra (subject to prior charges, if any) and/or conferring power to enter upon and take possession of the assets of the Company in certain events, to or in favour of the following, namely :-

- a. The Industrial Development Bank of India (hereinafter referred to as "IDBI") to secure a Corporate Loan of Rs. 1500 Lacs (Rupees Fifteen Hundred Lacs only).
- b. The Industrial Development Bank of India on behalf of the holders of 13.75% Secured, Redeemable, Non-Convertible Debentures of

Rs. 1000 Lacs (Rupees Thousand Lacs only).

- c. The Industrial Credit and Investment Corporation of India Limited (hereinafter referred to as "ICICI") to secure a Rupee Term Loan of Rs. 1500 Lacs (Rupees Fifteen Hundred Lacs only).
- d. State Bank of India (hereinafter referred to as "SBI") to secure the Working Capital limits aggregating to Rs. 2625 Lacs (Rupees Two Thousand Six Hundred and Twenty-five Lacs only).
- e. Standard Chartered Bank (hereinafter referred to as "SCB") to secure the Working Capital limits aggregating to Rs. 1050 Lacs (Rupees One Thousand and Fifty Lacs only).
- f. ANZ Grindlays Bank (hereinafter referred to as "ANZ") to secure the Working Capital limits aggregating to Rs. 284 Lacs (Rupees Two Hundred and Eighty-four Lacs only),

together with interest at the respective agreed rates, additional interest, liquidated damages, commitment charge, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the said Bank as per the terms and conditions of the respective loan agreements entered into by the Company with the said Banks.

- g. Such other loans as may be lent and advanced by the said Financial Institutions/Banks or any other Financial Institution/Bank to the Company from time to time, provided however, the Company shall create mortgage and/or charge its properties, existing and future, for securing financial assistance upto Rs. 2000 Lacs (Rupees Two Thousand Lacs) at any one time.

RESOLVED FURTHER THAT the Board of Directors of the Company be, and is hereby authorised to finalise with the said Financial Institutions/Banks, the requisite documents for creating the aforesaid mortgage and/or charge and to do all such acts, deeds, matters and things as may be necessary for the purpose of giving effect to this Resolution."

7. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special resolution :



"RESOLVED THAT subject to the approval of the Central Government under Section 372(4) of the Companies Act, 1956, and all other applicable provisions of law and further, subject to the approval of the Reserve Bank of India, Ministry of Finance, Industrial Development Bank of India, Consortium of Bankers, consent be, and is hereby granted pursuant to the provisions of Section 372(4) of the Companies Act, 1956, for the Company to increase its shareholding to 75% in the existing joint venture company 'The Egyptian Indian Company for Modern Packaging S.A.E.'. The additional amount to be invested shall not exceed US\$ 500,000.

RESOLVED FURTHER THAT the Board of Directors be, and is hereby authorised to vary, alter, increase, enhance or decrease the percentage of shareholding in the subsidiary company, including disinvestment in favour of suitable joint venture partners, subject to the condition that such variation, alteration, increase, enhancement or decrease shall not in any case bring the Company's shareholding to below 51%.

RESOLVED FURTHER THAT Shri Ashok Kumar Goel, Managing Director and Shri Cyrus Bagwadia, Executive Director be, and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, proper or expedient in this connection".

By Order of the Board
For **ESSEL PACKAGING LIMITED**

Place : Mumbai

RAJU A. NARAYANAN

Date : 24th April, 1998

Company Secretary

NOTES :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (2) The Register of Members and Share Transfer Books will be closed from 20th May, 1998 to 12th June, 1998 (both days inclusive) for the purpose of determining the shareholders entitled to dividend.
- (3) The final dividend when sanctioned, will be made payable to those shareholders whose names appear in the Company's Register of Members as on 12th June, 1998.
- (4) In terms of the provisions of Section 205 of the Companies Act, 1956, the Company has transferred the unclaimed dividend amount for the year ended 31st March, 1994, to the General Revenue Account of the Central Government. Those Shareholders who have not so far claimed dividend for the above mentioned period may claim the same from the Registrar of Companies, Maharashtra, Hakoba Mills Compound, Dattaram Lad Marg, Kalachowkie, Mumbai - 400 033.
- (5) Shareholders seeking any information with regard to Accounts are requested to write to the Company at any early date so as to enable the management to keep the information ready.
- (6) Members who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificate(s) to the Investor Services Department, M/s. Essel Packaging Limited, for consolidation of all such Shareholding into one account to facilitate better service.
- (7) With a view to provide protection against fraudulent encashment of dividend warrants, Shareholders were requested by the Company to provide their bank account numbers, names and addresses of the Bank Branches to enable the Company to incorporate the said details in the dividend warrants. Although several shareholders responded to this request, a large number has not yet provided such information. These members are once again requested to provide the above mentioned details quoting their folio numbers. Members will appreciate that the Company will not be responsible for any loss arising out of fraudulently encashed dividend warrants.
- (8) Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.

**ESSEL PACKAGING LIMITED****INFORMATION AS PER SECTION 217 (2A)(B)(ii) READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 1998.**

Sr. Name	Designation	Qualifications	Age	Date of Joining	Experi- ence (years)	Gross Remune- ration	Previous Employment/ Designation
1. Bagwadia Cyrus	Executive Director	B.Sc. (Hons) DPM & DBM	51	17.11.95	28	920760	Du Pont (Far East Asia) – Business Manager
2. Banerjee Mrinal Kanti	Vice President – R & D and Head – Seamless Tubes Business	Dip. in Elect. Engg., Dip. in Plastic Process	41	03.07.85	14	471622	Guardian Plastic Cote Ltd. – Maintenance Officer
3. Chandrasekhar Rajagopalan	Vice President – Finance	B.Com., ACA, ACS, AICWA	37	29.06.94	14	550450	Lupin Chemicals Ltd. – Sr. Manager (Finance)
4. Das Sanjay	Executive President Overseas Business	B.E., M.Sc. (Electronics), PGDBM (IIM – Ahmedabad)	50	01.06.94	28	673300	Nelco Ltd. – General Manager
5. Desai Pramod *	Asst. Gen. Manager – (Mktg.)	B.Sc.	48	06.09.93	25	109419	P.N. Writer & Co. Pvt. Ltd. – Sales Manager
6. Diwakaran Chakkungal	Vice President – Materials	B.Com., DMM	47	19.08.91	28	393499	Liberty Oil Mills Ltd. – Sr. Commercial Manager
7. Goel Ashok Kumar	Managing Director	B.Com.	37	01.07.88	17	1320600	—
8. Raina A.K.	Vice President – Manufacturing	M.Sc. (Elec.) M.Sc.(Defence Studies)	51	15.03.94	25	337340	Indian Air Force – Wing Commander
9. Ramakrishnan Ramaswamy	Asst. Gen. Mgr. – Finance	B.Com., ACA	32	07.10.94	11	331607	JBF Industries Ltd. – Finance Manager
10. Ramasamy M. R.	Sr. Vice President – Operations and Supply Chain	B.E. (Chem.) Dip. Plastic Engg.	40	22.07.85	14	613339	'U' Foam Ltd. – Production Engineer
11. Sainani Prabhu	Executive President – South Asia/India Business	B.E., M.B.M.	51	02.09.96	29	753038	Carona Ltd. – Chief Executive – Puma
12. Sharma Deepak	Project Manager	B.E., M.B.A., M.E.P.	38	14.09.96	13	424404	Core Emballage Ltd. – Head ADDVAL Project
13. V. Suresh	Sr. Vice President Technical Services	A.M.I.E. (Mech.) D.E.E.	48	01.09.86	28	587037	Ayeppee Lamitubes Pvt. Ltd. – Factory Manager

Note : Remuneration includes Salary, Provident Fund, Medical Benefits, Leave Travel Allowance, Contribution to Superannuation Fund and Taxable Perquisites.

* Employed for part of the year

By Order of the Board
For **ESSEL PACKAGING LIMITED**

ASHOK KUMAR GOEL
Managing Director

Place : Mumbai
Date : 24th April, 1998



**PROXY FORM**

REGD. OFFICE : P.O. VASIND, TALUKA SHAHAPUR, DIST. THANE, MAHARASHTRA 421 604.

I/We being a Member / Members of ESSEL PACKAGING LIMITED hereby appoint of or failing him/her of as my/our proxy to vote for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held on Friday, 12th June, 1998 and at any adjournment thereof.

Signed this day of 1998.

Folio No.

No. of Shares held

Affix
Re. 1
Revenue
Stamp

(Signature of the Shareholder)

Note : The Proxy Form duly completed and stamped must be lodged with the Company not less than 48 hours before the time for holding the aforesaid meeting.

**ATTENDANCE SLIP**

REGD. OFFICE : P.O. VASIND, TALUKA SHAHAPUR, DIST. THANE, MAHARASHTRA 421 604.

To be handed over at the entrance of the Meeting Hall.

Name of the attending Member (in Block Letters)	Membership Folio Number
Name of the Proxy (In Block Letters) (To be filled in, if the Proxy attends, instead of the Member)	Number of Equity Shares held

I/We hereby record my/our presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held at The Registered Office of the Company at P.O. Vasind, Taluka Shahapur, District Thane, Maharashtra - 421 604.

Member's/Proxy's Signature
(To be signed at the time of handing
over this slip)



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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Your Company has factories located at Vasind, Wada and Murbad. Successive enhancement of production facilities have been partly financed by term loans/corporate loans of Rs. 1500 Lacs each from the Industrial Development Bank of India (IDBI) and the Industrial Credit and Investment Corporation of India Limited (ICICI). The Company has also privately placed 13.75% Secured, Redeemable, Non-Convertible Debentures of Rs. 100 each aggregating to Rs. 1000 Lacs with the Banque Nationale de Paris (BNP). The Trustee for the said Debenture issue is IDBI Debenture Trustee Cell.

Your Company has also availed of enhanced Working Capital limits from banks as mentioned in the solution.

The said term loans/corporate loans are required to be further secured by a mortgage/charge on the undertaking of the Company at Vasind, Murbad & Co. consisting of movable and immovable properties situated at, in terms of the Loan Agreements entered into by the Company with IDBI, ICICI and the Bankers, Debenture Trust Deed with IDBI Debenture Trustee Cell.

Section 293 (1)(a) of the Companies Act, 1956, inter-alia, that the Board of Directors of a listed Company shall not, without the consent of the holders in General Meeting, sell, lease, or dispose off the whole or substantially the whole of any such undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially the whole of any such

undertaking by the Company of its immovable properties as aforesaid in favour of

financial institutions/banks may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293 (1)(a) of the Companies Act, 1956, before creation of the said mortgage/charge.

Copies of the Letters of Sanction received from IDBI, ICICI and copies of relevant correspondence between the said bankers and the Company are open for inspection at the Corporate Office of the Company at Continental Building, 135, Dr. A.B. Road, Worli, Mumbai - 400 018, between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the meeting.

None of the Directors of the Company is interested in the resolution except Shri K.A. Harnahalli who is a Director nominated by IDBI.

ITEM NO. 7

Your Company had established a joint venture tube making company in Egypt during 1993-94. The unit was established with an annual capacity of 20 million tubes primarily to cater to the requirements of Proctor & Gamble in Egypt. We have invested Rs. 39 Lacs and had 35% of the equity in the joint venture company.

It has now been established that there is a potential for this unit to emerge as a major regional player in the Egyptian and African markets. The Company would need to install additional tools to cater to the requirements of the region and eventually expand tubing capacities at a later date. Uniliver (Egypt) has started procuring tubes from our joint venture.

In the Extra-ordinary General Meeting held on 11th March, 1997, the shareholders had approved the Company's proposal to increase the stake in the joint venture from 35% to 55%. However, after negotiation with the joint venture partner in Egypt, it has been



ESSEL PACKAGING LIMITED

decided to increase the Company's stake upto 75%.
The additional amount to be invested shall not exceed
US\$ 500,000.

The Board recommends this resolution for the approval
by the Members.

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

By Order of the Board
For **ESSEL PACKAGING LIMITED**

Place : Mumbai,

RAJU A. NARAYANAN

Date : 24th April, 1998

Company Secretary

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