

ANNUAL REPORT

06 97

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**INDIAN SHAVING
PRODUCTS LIMITED**

Mr. S.K. Poddar
Chairman

Mr. Pradeep Pant
Managing Director

Mr. J.L. Ribera

Mr. G.S. Gill

Mr. A.J. Redpath

Mr. P.K. Poddar

Mr. M.K. Kumar

Mr. Abhey Yograj

Mr. P.N. Dang

Mr. Ashok Sahni
(Alternate to Mr. J.L. Ribera)

Mr. V.N. Mathur
(Alternate to Mr. A.J. Redpath)

Mr. S.N. Talwar
(Alternate to Mr. G.S. Gill)

Auditors
Price Waterhouse

Corporate Office
34, Okhla Industrial Estate
New Delhi - 110 020

Registered Office & Works
SPA-65A, Bhiwadi Industrial Area
Bhiwadi (Distt. Alwar), Rajasthan - 301 019

Bankers
Standard Chartered Bank
Citibank N.A.
Deutsche Bank
Bank of America
Punjab National Bank
State Bank of Bikaner & Jaipur

MD	✓			BKC	NA
CS	✓			DPY	NA
RO	✓			DIV	✓
TRA	✓			AC	✓
AGM	NA				✓
YE	✓	✓	✓		✓

CHAIRMAN'S LETTER



Dear Shareholders,

I am pleased to report that your Company achieved its best performance in 1996-97 despite an overall slow down of industrial growth in the country. Sales recorded a strong growth of 48% over the previous year. This helped us not only to cross the Rs.100 crore mark but reach a healthy turnover of Rs.120 crore. With increased sales, the gross profits of the Company before interest and depreciation is higher by 34% at Rs.21.25 crore. The net profit of the Company is higher by 54% at Rs.6.72 crore. In view of the satisfactory performance, the Board has recommended a higher dividend at 17.5%.

The impressive performance was achieved due to various growth initiatives taken by the Company. All our existing products and brands continue to perform well. The Readyshaver business under both the GILLETTE and the 7 O'CLOCK brand continues to grow strongly with sales growing by 83% over the previous year. It is a matter of great satisfaction to me that your Company launched the latest state-of-the-art GILLETTE SENSOREXCEL Shaving Systems in India. The launch met with an excellent trade and consumer response. This product offers the latest shaving product to the Indian consumer. ISP now offers a wide range of products to the Indian consumers in the field of blades and razors from the conventional double edge blades to Readyshavers and Twin Blade Shaving Systems. This fulfils our commitment of providing a wide product mix including the latest shaving products to millions of consumers in our country.

Besides SENSOR, the Company strengthened its presence in the shaving preparations market through the launch of new shave cream and foam. Our entry in the Tooth Brush market, under the well known ORAL-B brand continues to grow significantly with new products being added at regular intervals. I believe Oral Care to be an important area for the Company and the Company aims, therefore, to continue to expand the distribution and sales in this product category.

Marketing and distribution are the key elements to achieve success for a consumer product company like ours. We attach considerable importance to this and this is why we have substantially increased our advertisement budget. As a Company, we have strong and dynamic sales and distribution organisation. In the current year we have expanded our distribution network to reach smaller towns and villages. We shall continue to expand our distribution even further.

The growth-oriented Central Budget announced by the Finance Minister, followed by further liberalisation in the Import-Export Policy and a conscious decision to lower the interest rates is expected to give a fillip to the economy. These factors along with our strong brands and new product launches will help the Company to continue its growth strategy and improve upon its performance in the coming years.

As I mentioned in my previous reports, your Company is a firm believer in Total Quality Management principles. We continue to focus on spreading these principles throughout the Company.

Our key strengths are our employees and their commitment to the progress of your Company. On your behalf I would like to thank them and look forward to their support in growing the Company even further.

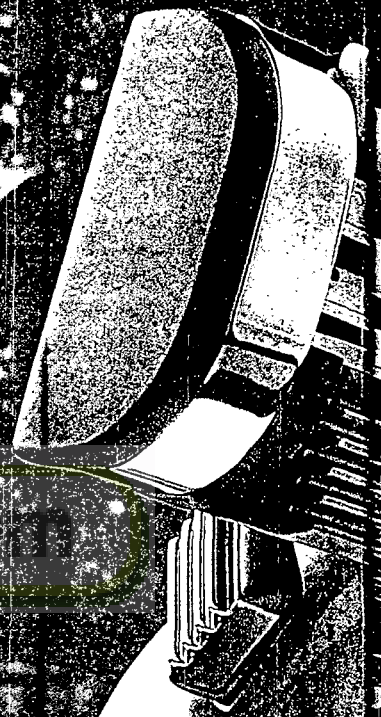
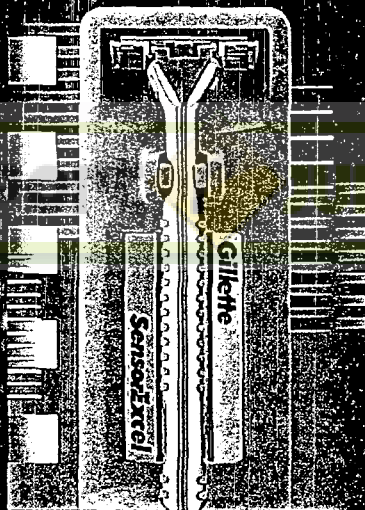
I would also like to thank you, our shareholders, for your continued support and confidence.

Best wishes,

S.K. PODDAR
Chairman

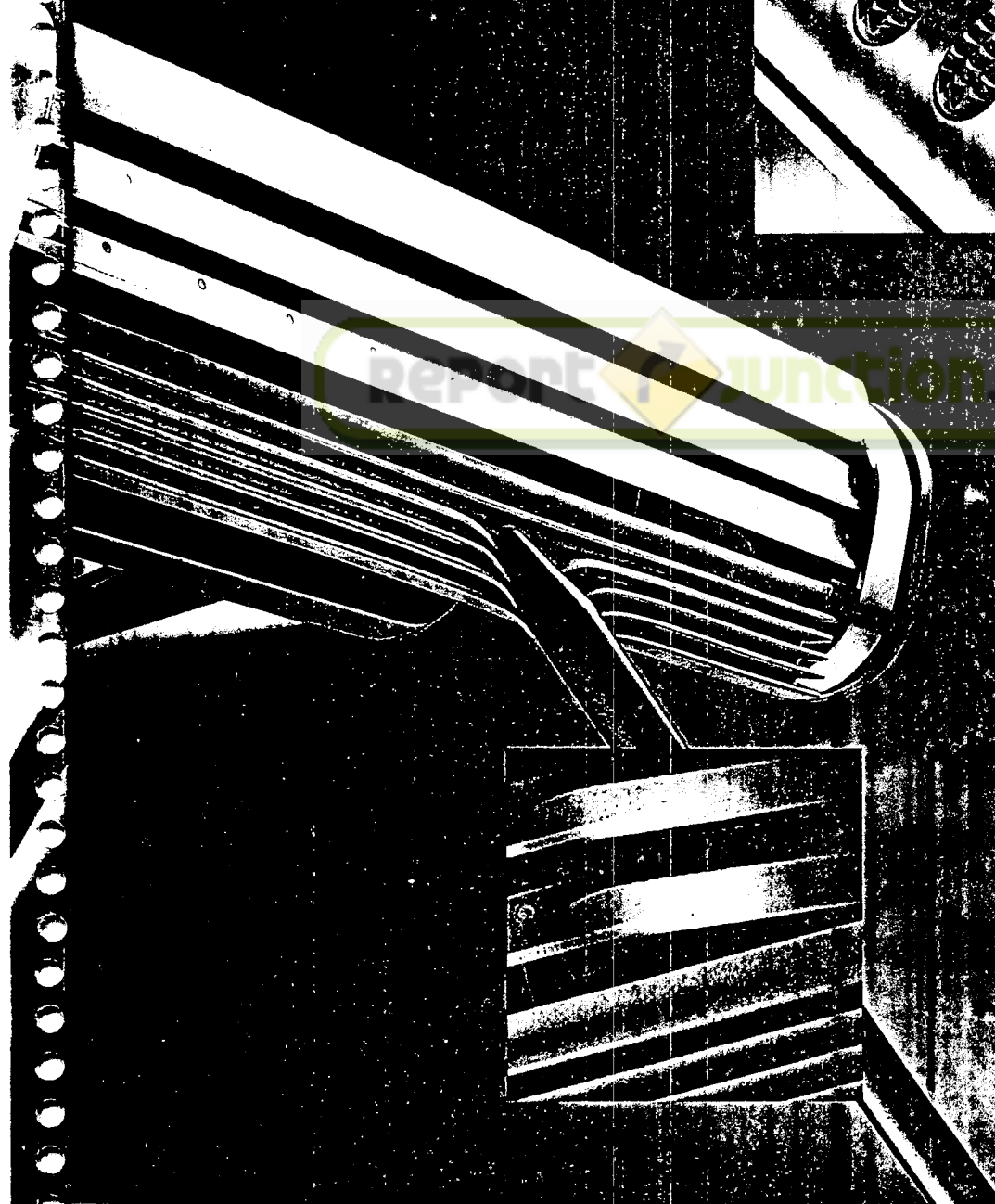
Gillette SensorExcel and **Gillette Sensor**, the most successful shaving systems in the history of The Gillette Company. **SensorExcel** enhances the revolutionary spring mounted twin blade technology introduced by Gillette. 14 years of research. The launch of these revolutionary products reaffirms ISP's commitment to give

Gillette
SensorExcel



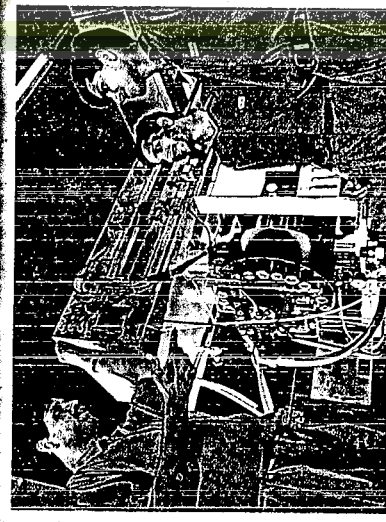
WORLD
CLASS
Products

The *llette Company* were introduced in the Indian market in December 1996.
The *ensor*. The product operates under 29 patents and is the culmination of
time, give the Indian consumer the latest state-of-the-art world class products.



World class people. Bringing out the finest in every individual in the pursuit of organisational excellence. People development is a continuous process and the Company strives to attract, motivate and retain the best. Involvement, change, organisational flexibility and personal mobility is valued. ISP is committed to growth aggressively.

Learning
begin
with
Gillette[®]



**WORLD
CLASS
People**

ation excellence has been the hallmark of ISP's people development efforts. At ISP,
rough performing people in every discipline in the Company. Innovation, employee
developing an organisation with world class managers capable of driving business



ISP's dual brand strategy in Shaving and Grooming with the Gillette and 7 O'Clock brand portfolio under each brand. The Gillette brand has already captured the top-end of the market with a strong presence in the Readyshaver segment. The 7 O'Clock brand continues to register growth across all segments including Readyshavers and Lather Shave Cream.



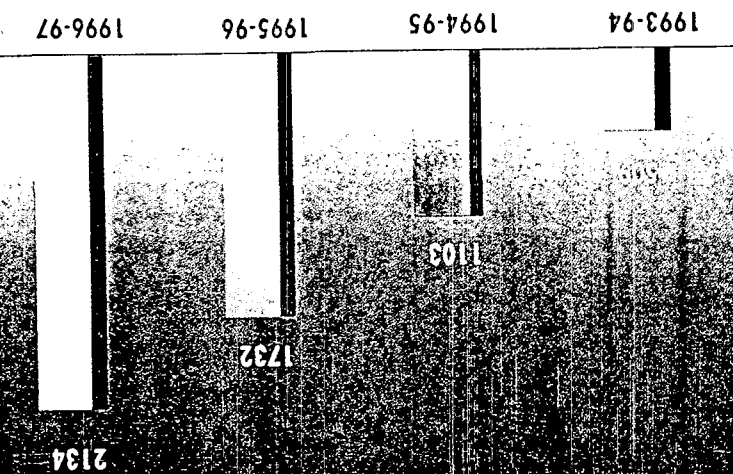
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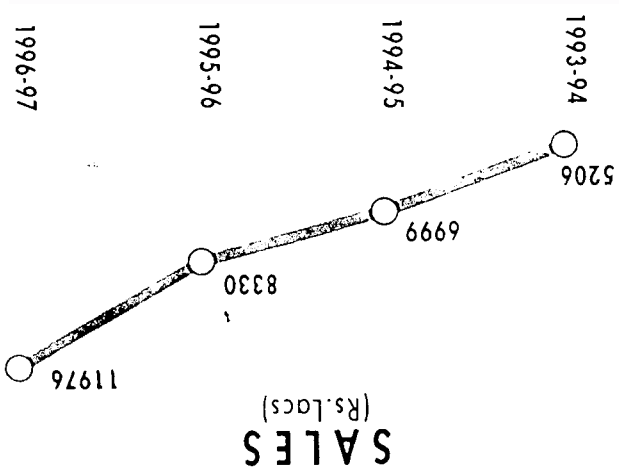
**WORLD
CLASS
Brands**

shown handsome returns, with a comprehensive product
in the introduction of Gillette SensorExcel, after establishing a
ong growth helped by the introduction of new products





PROFIT BEFORE DEPRECIATION, INTEREST AND EXCHANGE LOSS
(Rs. Lacs)



SALES
(Rs. Lacs)

HIGHLIGHTS