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PLASTIBLENDS INDIA LIMITED.

8TH ANNUAL REPORT 1998-99



Plastiblends
India Limited

BOARD OF DIRECTORS

S. V. Kabra	<i>Chairman & Managing Director</i>
S. N. Kabra	Director
P. C. Parmar	Director
H. S. Sanwal	Director
A. E. Ladhabhoy	Director
V. Dorairaj	Director
R. K. Mundra	Director
J. T. Chatterjee	<i>Nominee Director - IDBI</i>

BANKERS

State Bank of India

AUDITORS

M/s. Kishor B. Phadke & Co.
*Chartered Accountants,
Pune.*

REGISTERED OFFICE

B-45, Mahashree Compound,
New Link Road,
Andheri (West),
Mumbai - 400 053
Tel. No. : 636 7514 / 7617 / 7406 / 7794,
631 5007 / 9642, 633 1001
Fax : 091-22-6319643 / 636 7441
E-Mail : pbim@vsnl.com

WORKS

74/1, 74/2 and 75/3,
Daman Industrial Estate,
Kadaiya Village,
Daman - 396 210
Tel. No. : 02638-56878, 55704, 56426, 56427
Fax : 02638-56306
E-mail : plastiblends@cybervapi.com



NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of PLASTIBLENDS INDIA LIMITED will be held on **Friday, the 17th day of September, 1999 at 4.00 P. M.** at Juhu Jagruti Audio-Visual Centre, Shri Bhaidas Maganlal Sabhagriha, 2nd Floor, Near Mithibai College, JVPD Scheme, Vile Parle (West), Mumbai - 400 056 to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Reports thereon.
2. To declare a dividend on Equity Shares for the Financial Year ended 31st March, 1999.
3. To appoint a Director in place of Shri H. S. Sanwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. A. E. Ladhahoy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from conclusion of this meeting until 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 modification the following as an **ORDINARY RESOLUTION :**

"RESOLVED that pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals as may be necessary, consent of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for mortgaging and/or charging the movable and/or immovable properties of the Company, both present and future, in favour of Company's Banker, State Bank of India, Industrial Finance Branch, Mumbai - 400 005 for securing the existing and future credit facilities (funded and non-funded) extended / to be extended to the Company for meeting its working capital requirements upto an aggregate amount of Rs. 20 Crores (Rupees Twenty Crores only) and on such terms and conditions and at such time or times and in such manner, in accordance with the relevant statutory provisions and guidelines, if any, issued in that behalf, as it may think fit."

"RESOLVED FURTHER that the security created/to be created in the manner aforesaid in favour of the above bank shall have such ranking as to priority including by way of second and subservient charge ranking pari passu in all respects with similar second and subservient charges, if any, already created/to be hereafter created on the said properties to secure the existing/future borrowings in the ordinary course of business of the Company as may be decided by the Board".



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"RESOLVED FURTHER that the Board be and is hereby authorised to finalise with the said bank, agreement and other documents and deeds for creating the aforesaid mortgages and/or charges and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt which may arise in relation thereto or otherwise considered by the Board in the best interest of the Company."

On behalf of the Board

S. V. Kabra
Chairman

Mumbai, July 21, 1999

Registered Office :
B-45, Mahashree Compound,
New Link Road,
Andheri (West),
Mumbai - 400 053

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**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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

- 2) The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business under Item No. 6 of the Notice is annexed hereto.
- 3) The Register of Members and the Share Transfer Books of the Company will remain close from Monday, 6th September, 1999 to Friday, 17th September, 1999 (both days inclusive).
- 4) Shareholders seeking any information with regard to accounts are requested to write to the Company at least fifteen days in advance of the meeting so as to enable the Company to keep the information ready.
- 5) The dividend on equity shares recommended by the Board of Directors for the year ended 31st March, 1999, if declared at this meeting, will be paid to those Members whose names will be appearing on the Register of Members as on 17th September, 1999.
- 6) Members are requested to intimate their Bank Account details, if not already sent, so that the same can be printed on the dividend warrant to avoid the incidence of fraudulent encashment of the dividend warrant.
- 7) Members are requested to address all their correspondence by quoting their Folio Number to the Registered Office of the Company. Please note that the Share Transfer work is being managed inhouse by the Company and no Registrar & Transfer Agent is deputed for this purpose and therefore all are requested to lodge their shares only at the Registered Office of the Company.
- 8) The Company's shares are listed and traded mainly on the Stock Exchange, Mumbai. The Company has already paid listing fees for the year 1999-2000 to the said Stock Exchange. Delisting application made last year is under consideration of the Stock Exchange authorities at Ahmedabad and Pune and listing fees payable to them for current year is pending therefore.
- 9) Individual shareholders can now avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as societies, trusts, bodies corporate, partnership firms, Kartas of Hindu Undivided Families and holders of Powers of Attorney.
- 10) Members holding shares in the identical order of names in more than one folio are requested to consolidate their holdings into one folio.



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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6

The Company has availed/proposes to avail credit facilities from State Bank of India, Industrial Finance Branch, Mumbai - 400 005 to meet its working capital requirements from time to time. As stipulated by the bank, the above credit facilities are to be secured, inter alia, by way of mortgage/charge on second pari passu basis on the Company's immovable and movable properties, both present and future with due consent of Industrial Development Bank of India also holding charge on the said assets.

Section 293 (1) (a) of the Companies Act, 1956 inter alia provides that the Board of Directors of a public company shall not, except with the consent of such public company in the general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking.

Since the above mortgage/charge created/to be created as per the resolution, set out at item no - 6 of the notice may be regarded as disposal of the Company's undertaking, it is considered advisable that the creation of above mortgage/charge be approved by the Members of the Company by an ordinary resolution pursuant to Section 293 (1)(a) of the Companies Act, 1956. This resolution is accordingly commended for your acceptance.

None of the Directors is/are deemed to be interested or concerned in the resolution.

On behalf of the Board

S. V. Kabra
Chairman

Mumbai, July 21, 1999

Registered Office :

B-45, Mahashree Compound,
New Link Road,
Andheri (West),
Mumbai - 400 053



Plastiblends
India Limited

DIRECTORS' REPORT

To,
The Members,
Plastiblends India Limited,
Mumbai.

Your Directors are pleased to present the EIGHTH ANNUAL REPORT, together with the AUDITED STATEMENT OF ACCOUNTS of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS

	1998-99 (Rs. in lacs)	1997-98 (Rs. in lacs)
Sales and other income	3594.60	2949.58
Profit before interest and depreciation	653.27	560.73
Less : Interest	177.15	203.93
Depreciation	68.52	66.67
Net Profit before Tax	407.60	290.13
Provision for Taxation	45.00	—
Net Profit after tax	362.60	290.13
Add : Balance b/f from previous year	407.54	232.47
Profit available for appropriation	770.14	522.60

APPROPRIATIONS :

Transferred to General Reserves	30.00	15.00
Proposed Dividend	116.95	90.96
Corporate dividend tax	12.86	9.10
Surplus balance carried to balance sheet	610.33	407.54
	770.14	522.60

DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs. 1.80 per Equity Share of Rs. 10/- each for the year ended 31st March, 1999 (Rs. 1.40 per share for the previous year) subject to the approval of Members at the Annual General Meeting. Corporate dividend tax has been provided as per provisions of Income Tax.

OPERATIONS :

During the year under review, your Company has achieved operational income of Rs. 3594.60 lacs as against operational income of Rs. 2949.58 lacs, an increase of 21.87% over the last year. The Company has achieved production of 6011 Tonnes for the year as compared to 5352 Tonnes during previous year.

Constant development is being made by the Company's R & D Team to meet the requirements of all sectors of plastic industry.



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CAPACITY EXPANSION :

The Company's project for enhancing its capacity from 6000 tonnes to 9000 tonnes by setting up Division III has been commissioned in June, 1999 much ahead of scheduled completion. The above project was financed by internal accruals and partly by Term Loan from Company's Banker.

DIRECTORS :

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Shri. H. S. Sanwal and Shri. A. E. Ladhabhoy, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS :

Messrs. Kishor B. Phadke & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate for re-appointment u/s 224(1-B) of the Companies Act, 1956 and have indicated their eligibility and willingness to continue.

Y2K READINESS :

Your Company has taken necessary steps to ensure that all its systems are Y2K ready and the same is expected to be completed by October, 1999, before ushering in of the new millennium.

We are upgrading our Hardwares and Softwares wherever necessary, to meet any contingencies and are expecting smooth functioning of all its operations without any difficulties.

The cost of upgradation is estimated at Rs. 10 lakhs.

EMPLOYEES RELATIONS :

Employees Relations were cordial throughout the year. The Directors express their warm appreciation to all the employees for their dedication and support.

There are no employees covered under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended. Hence no particulars are given herewith.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is set out in ANNEXURE.

ACKNOWLEDGEMENT :

The Board of Directors of your Company place on record their gratitude and would like to thank Shareholders, Bankers, Financial Institutions, Customers, Dealers and Suppliers for their support and co-operation.

For and on behalf of the Board

S. V. Kabra
Chairman

Mumbai, July 21, 1999