



Plastiblends

India Limited

10. Annual Report 2000-2001

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Plastiblends
India Limited

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997
<u>Operating Results</u>					
Sales & Other Income	5635.50	4384.17	3594.60	2949.58	2355.82
Profit before depreciation and interest	1006.74	750.77	653.28	560.73	467.21
Less : Depreciation	98.62	83.41	68.52	66.67	64.99
Interest	140.17	137.40	177.15	203.93	221.37
Profit before Tax (PBT)	767.95	529.96	407.61	290.13	180.85
Taxation	178.09	90.18	45.00	0.00	12.94
Profit after Tax (PAT)	589.86	439.79	362.61	290.13	167.91
Retained earnings	427.43	303.34	245.66	199.17	102.94
Earning per share (EPS) (Rs.)	9.08	6.77	5.58	4.47	2.58
Dividend %	25%	21%	18%	14%	10%
<u>Financial Summary</u>					
Assets Employed					
Fixed Assets (Net)	1471.21	1414.69	1058.17	1093.63	1110.82
Working Capital (Net)	543.85	607.99	310.84	623.30	315.26
Capital Employed	2898.75	2685.16	2219.32	2105.95	2004.95
<u>Financed by</u>					
Share Capital	649.73	649.73	649.73	649.73	649.73
Reserves	1355.74	944.88	656.55	423.76	233.69
Total Shareholders Funds	2005.47	1594.61	1306.28	1073.49	883.42
Borrowings	893.28	1090.55	913.04	1032.46	1121.53
Debt: Equity	0.45:1	0.68 : 1	0.70 :1	0.96 : 1	1.27:1
<u>Others</u>					
Book Value Per Share (Rs.)	30.87	24.54	20.10	16.52	13.60
Gross Fixed Assets	1987.98	1835.79	1397.00	1363.94	1315.38
Employees Cost	138.18	114.31	93.82	87.34	70.23

PBI**Plastiblends**
India Limited**BOARD OF DIRECTORS**

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

COMPANY SECRETARY

Pooja K. Raichura

BANKERS

State Bank of India

AUDITORSM/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, 631 9642, 635 1637/1638
Fax : 091-22-636 7441
E-Mail : pbi@kolsitegroup.com Web :www.plastiblendsindia.com

WORKS

74/1, 74/2 and 75/3,
Daman Industrial Estate,
Kadaiya Village,
Daman - 396 210
Tel. No. : 0260-256426, 256427, 256878
Fax : 0260-256306

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**10th ANNUAL
GENERAL MEETING**

Date : 2nd August, 2001
Day : Thursday
Time : 4:30 p.m.
Venue : Hotel Park View, 38, Lallubhai Park Road,
Next to Lallubhai Park, Andheri (West),
Mumbai-400 058.



NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of **PLASTIBLENDS INDIA LIMITED** will be held on Thursday, the **2nd day of August, 2001** at **4:30 p. m.** at Hotel Park View, 38, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai - 400 058 to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt the audited Balance Sheet as at 31st March, 2001 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, 2001.
3. To appoint a Director in place of Shri. P. C. Parmar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. V. Dorairaj, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Kishor B. Phadke & Co., Chartered Accountants, as Auditors of the Company to hold such office from conclusion of this meeting, until the conclusion of the next Annual General Meeting and on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Section 198, 269, 309, 310, 311, 349 and 350 (as amended) read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the company be and is hereby accorded to the re-appointment of Shri. S. V. Kabra as a Managing Director of the Company for a further period of 5 years effective from 1st January, 2002 on the following remuneration, terms and conditions:

(a) Salary : 50,000/- per month.

(b) Perquisites : In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual salary. Unless the context otherwise requires, perquisites are classified into three categories - 'A', 'B' and 'C' as follows :

CATEGORY A :

- (i) **Housing I** : The expenditure by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary, over and above 10% of salary payable by him.

Housing II : In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.

Housing III : In case no accommodation is provided by the Company, he shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishing, if any shall be valued as per the Income-tax, Rules, 1962.

- (ii) **Medical Reimbursement** : For self and his family subject to a ceiling of one month's salary in a year or three month's salary in a block of three years.
- (iii) **Leave Travel Concession** : For self and his family once in a year, in accordance with the rules of the Company.
- (iv) **Club Fees** : Club fees, subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) **Personal Accident Insurance** : Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4,000/-.

Explanation : For the purpose of CATEGORY-A, 'Family' means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY B :

- (i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together, are not taxable under the Income-Tax Act, 1961.



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(ii) Gratuity not exceeding half a month's salary for each completed year of service with a maximum limit of Rs. 3,50,000/-.

(iii) Encashment of leave at the end of the tenure as per the rules of the Company.

However, these shall not be included in the computation of ceiling on remuneration.

CATEGORY C :

Provision of car and telephone at residence for use on Company's business will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

(c) Minimum Remuneration : Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Shri. S. V. Kabra, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites not exceeding the ceiling laid down in section II of part II of Schedule XIII as minimum remuneration.

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to enhance, enlarge, widen, alter or vary the extent and scope of the remuneration and perquisites, including monetary value thereof, payable to the Managing Director subject to the limits, if any, specified under the provisions of the Companies Act, 1956, read with Schedule XIII or any amendment thereto, from time to time."

Mumbai, May 26, 2001

By order of the Board

Registered Office :

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

Pooja Raichura
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 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 Share Transfer Books of the Company will remain closed from 17th July, 2001 to 27th July, 2001 (both days inclusive).
- 4) The dividend on equity shares recommended by the Board of Directors for the year ended 31st March, 2001 if declared at this meeting, will be paid to those Members whose names will be appearing on the Register of Members as on 27th July, 2001 and to those whose names will appear as beneficial owners as on the said date in the list to be furnished by the depositories namely National Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of shares held in Electronic form.
- 5) Pursuant to the provisions of Section 205A – 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 1997 and thereafter, which remain unpaid or unclaimed for a period of 7 years have to be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far in respect of the financial year ended 31st March, 1997 or any subsequent financial years are requested to make their claim to the Registered Office (Secretarial Department) of the Company. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
- 6) Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready at the meeting.



- 7) Members are requested to :
 - (a) intimate to the Company changes, if any, in their registered addresses, bank account details, mandate details etc. at an early date;
 - (b) quote your folio numbers in all correspondence with the Company.
- 8) In terms of notification issued by Securities & Exchange Board of India (SEBI), equity shares of the Company are under compulsory trading in demat form by all investors w.e.f. 7th May, 2001.
 The equity shares of the Company have been already made available for dematerialisation. National Securities Depository Limited (NSDL) has activated the scrip w.e.f. 8-11-2000. Central Depository Services (India) Limited (CDSL) has also activated the scrip w.e.f. 6-10-2000. **ISIN allotted to our equity shares is INE083C01014.** Number of shares already dematerialised till date is about 51% of the total.
- 9) The Company's shares are listed on the Stock Exchange, Mumbai & Ahmedabad. The Company has already paid listing fees for the year 2001-2002 to the said Stock Exchanges. Listing fees payable to Pune Stock Exchange is kept pending in view of the delisting proposal.
- 10) 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 Power of Attorney.

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

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

Item No. 6

With the Members approval, Shri S. V. Kabra was appointed as a Managing Director for a period of 5 years w.e.f. 1st January, 1997 without payment of any remuneration in terms of resolution passed by the members in the Annual General Meeting of the Company held on 27th September, 1996.

At the meeting of the Board of Directors held on 26th May, 2001, the Board has re-appointed Shri. S. V. Kabra as a Managing Director of the Company for a further period of 5 years w.e.f. 1st January, 2002 subject to the Members approval at the ensuing Annual General Meeting. Shri S. V. Kabra has rich and varied experience of more than 37 years in the Plastics Industry. During last 5 years the sales and profitability has increased more than projected. The sale increased from Rs. 19.05 Crores during 1995-96 to Rs. 56.11 Crores during 2000-01. The Profit also increased from Rs. 1.36 Crores in the year 1995-96 to Rs. 5.90 Crores in the year 2000-01. The Company also has declared dividend regularly in respect of above financial years. He has not drawn any remuneration from the Company during last 5 years in accordance with the resolution referred above.

His re-appointment would be in the best interest of the Company, as the Company has made remarkable overall growth on account of his guidance and contribution. The draft agreement to be entered into by the Company with Shri. S. V. Kabra upon receipt of requisite approval is available for inspection by the Members.

Shri. S. V. Kabra personally and Shri. S. N. Kabra, being related to him are interested in this resolution.

No other Directors of the Company is/are deemed to be interested or concerned in the said resolution.

This Explanatory Statement together with the resolution at Item No. 6 in the accompanying Notice is to be regarded as an abstract of the terms of the draft Agreement to be entered into by and between the Company and Shri. S. V. Kabra, and Memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Mumbai, May 26, 2001

By order of the Board

Registered Office :

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

Pooja Raichura
Company Secretary



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India Limited

DIRECTORS' REPORT

To,
The Members,
Plastiblends India Limited,
Mumbai.

Your Directors are pleased to present the TENTH ANNUAL REPORT, together with the AUDITED STATEMENT OF ACCOUNTS of the Company for the year ended 31st March, 2001.

FINANCIAL RESULTS

	2000-2001 (Rs. in lakhs)	1999-2000 (Rs. in lakhs)
Sales and other income	<u>5635.50</u>	<u>4384.17</u>
Profit before interest and depreciation	<u>1006.74</u>	<u>750.77</u>
Less : Interest	<u>140.17</u>	<u>137.40</u>
Depreciation	<u>98.62</u>	<u>83.41</u>
Gross Profit before Tax	<u>767.95</u>	<u>529.96</u>
Provision for Taxation	<u>178.09</u>	<u>90.18</u>
Net Profit after tax	<u>589.86</u>	<u>439.78</u>
Add : Balance b/f from previous year	<u>848.66</u>	<u>610.33</u>
Profit available for appropriation	<u>1438.52</u>	<u>1050.11</u>

APPROPRIATIONS :

Transferred to General Reserves	60.00	50.00
Provision for Proposed Dividend	162.43	136.44
Provision for Tax on Proposed Dividend	16.57	15.01
Surplus balance carried to balance sheet	<u>1199.52</u>	<u>848.66</u>
	<u>1438.52</u>	<u>1050.11</u>

DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs. 2.50 per share of Rs. 10/- each for the year ended 31st March, 2001 (Rs.2.10 per share for the previous year) subject to the Members' approval. Corporate dividend tax has been provided as per provisions of Income Tax Act, 1961.

OPERATIONS :

During the year under review, your Company has achieved operational and other income of Rs. 5635.50 lakhs as against operational and other income of Rs. 4384.17 lakhs, an increase of 28.54% over the previous year. The Profit Before Tax (PBT) is Rs. 767.95 lakhs as against Rs. 529.96 lakhs during last year, an increase of 45% over last year. The Company has achieved production of 9478 Tonnes for the year as compared to 7287 Tonnes during previous year.

Constant developments are being made by the Company's R & D Team to widen the range of Masterbatch, to meet the growing requirements of plastic industry, as well as pioneering introduction of new grades for new applications.

EXPORTS :

Exports during the year has increased to Rs. 162.36 lakhs as against Rs. 65.35 lakhs of exports in the previous financial year, an increase of 148% over previous year's exports.


DIRECTORS :

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Shri. P. C. Parmar and Shri V. Dorairaj, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends Shri. S. V. Kabra's re-appointment as a Managing Director upon the remuneration and other terms w.e.f. 1st January, 2002 subject to Members' approval. Audit Committee consisting of three Directors has been set-up in compliance of section 292A of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT :

The Board of Directors in pursuance of Section 217 (2AA) of the Companies Act, 1956, hereby states that the annual accounts for the year ended 31st March, 2001 presented herewith are prepared on a going concern basis by following applicable accounting standards and there is no material departures from such standards and further state that they 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 for the said financial year and also had taken proper and sufficient care for maintenance of adequate accounting records as statutorily provided to safe guard the assets of the Company and prevent and detect fraud and other irregularities.

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 of their eligibility u/s 224(1-B) of the Companies Act, 1956 and they are not disqualified under amended section 226(3) (e) of the Companies Act, 1956.

DEMATERIALISATION OF SHARES :

In terms of notification issued by Securities & Exchange Board of India (SEBI), Equity shares of the Company are under compulsory trading in demat form by all the investors w.e.f. 7th May, 2001 and are available for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

EMPLOYEES RELATIONS :

Employees Relations continued to be cordial throughout the year. The Directors appreciate the efforts put in by the employees at all levels.

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 required to be furnished.

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 forms part of this report as 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, May 26, 2001