

## 7th Annual Report 1998-99

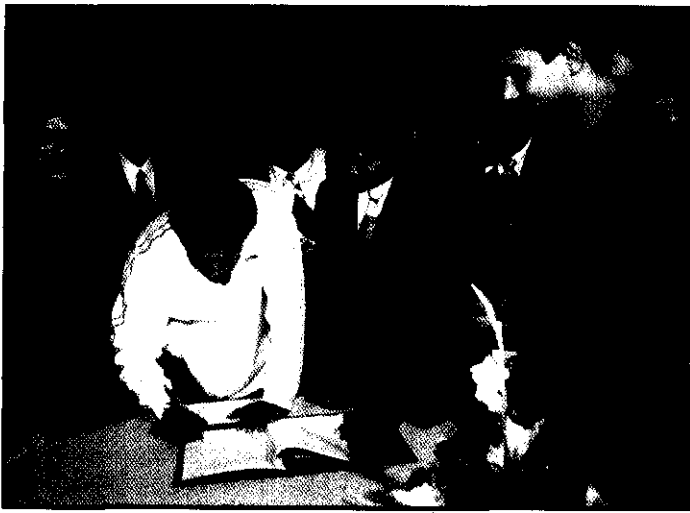
***Today's***

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*In Pursuit of excellence across the millennium.....*

Today's Writing Products Limited



△ CMD Rajesh Drolia signs Salman Khan for product promotions and literacy drive !

CMD Rajesh Drolia with Sachin on the sets of Jeetna hai Today ! △



View of Factory Premises



Injection Molding Section



Tool-Room Section

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**Today's Writing  
Products Limited**

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**BOARD OF DIRECTORS** : Mr. Rajesh Kumar Drolia Chairman & Managing Director

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Mr. Ravi Drolia Director *YK*

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Mrs. Anita Drolia Whole time Director

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Mr. Pawan Drolia Director

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Mr. Sajjan Khaitan Director

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Mr. Arun Beswal Director

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Mr. Mukesh Gupta Director

**AUDITORS** : M/s. AJAY SHOBHA & CO.  
Chartered Accountants

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**SOLICITORS &  
LEGAL ADVISORS** : VYAS & BHALWAL  
Advocates, Solicitors & Notaries.

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**BANKERS** : State Bank of India  
Punjab National Bank  
Bank of Baroda  
Indian Bank  
Dena Bank

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**REGISTERED OFFICE** : Survey No. 251/2/2, Valsad Falia,  
Near Jain Temple, Dadra  
Dadra & Nagar Haveli (U.T.) 396 230, India

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**EXPORT OFFICE** : 3, Parasrampur Apartments,  
E-Wing, Ground Floor,  
Near Milan subway, Road No.1  
T.P.S.-VI, Santracruz (West),  
Mumbai - 400 054

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**ADMINISTRATIVE OFFICE** : 1, Lamp Light, 9th Road Extension,  
Juhu Vile Parle Scheme,  
Mumbai - 400 049

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**REGISTRAR &  
TRANSFER AGENT** : PREMIUM FINANCIAL SERVICES LTD.  
A-2/477, Shah & Nahar Industrial Estate,  
S.J.Marg, Lower Parel (West),  
Mumbai - 400 013

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Annual Report  
1998-99**CHAIRMAN'S ADDRESS****Dear Shareholders,**

It gives me great pleasure to welcome you to the 7th Annual General Meeting of Today's Writing Products Ltd. The financial year 1998-99 will be remembered for its unfavourable and turbulent economic environment which has also impacted the world economy.

Your Company's performance during the year has to be viewed against this difficult environment. In spite of general slowdown of economy, recession in the market and increasingly stiff competition, your Company has shown consistent performance in growth and profitability. With all its business segments faring well your Company continues to achieve appreciable growth. The performance and future prospects of your Company are regularly monitored and analysed by Research Analysts to face the challenges of growth efficiently as also to further promote shareholder value. Besides your Company is identifying new avenues of revenue generation which would ensure stability in an uncertain environment of declining spreads.

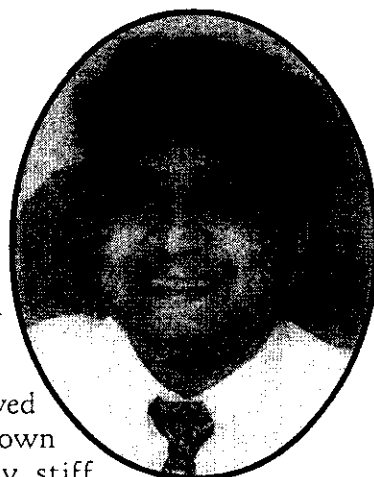
One of the thrust areas of growth, which we have identified, is to customize our product ranges to suit every segment. Smooth-writing range, Long-writing range and Fine-liner range are just a few examples that have successfully competed with other products in the market. Our recent tie-ups with Mon-Ami (Korea) and Aubex (Japan) have been concrete efforts to bring international standards to our writing style, nonetheless maintaining a competitive pricing edge. We foresee a broad spectrum of mobilized profitability in customizing our product range coupled with consumer conscious marketing efforts.

Over the past decade, the consumer has become the focus of all business activity. With the consumer becoming increasingly vocal and with diverse choices available to him, customization of our product range and consistent product innovation becomes vital to retain and expand our customer base.

Bearing the above tenets in mind, popular film star, Salman Khan was signed by your Company to provide added value to its marketing techniques. The signing of top star Salman Khan was more than a commercial decision for us. It was his irrevocable faith in the "Pens being mightier than the sword" that led us to choose him over the others.

The literacy drive that is being undertaken alongwith the celebrity is not just another commercial activity for your Company but is a part of your Company's contribution towards the institutional cause directed towards the society.

Your Company also signed on Mumbai Ranji Cricket team for the next three years featuring popular cricketers including the batting maestro Sachin, to endorse its products in a cohesive attempt to bring in nationwide popularity. As all of us are aware, Cricket is the only sport that cuts across all barriers across all segments. As admitted by the Mumbai Ranji Team, your Company is the first sponsor of its kind to have come forward to truly encourage young and upcoming cricketers by virtue of this



Today's Writing  
Products Limited

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deal. It has been the biggest deal, as of today, any sports association in India has formalised with its sponsors.

Subsequently the catchy slogan "**Jeetna hai Today**", that reflected the fundamental aspirations of all human beings, was devised and uniformly promoted at the Cricket World Cup 1999, Venue. Your Company especially flew down drummer Sivamani of AR Rehman troupe to cheer the Indian team playing at England during the world cup. It is certainly my pleasure to see my Distributor Parivar being amply benefited by these associations and tie-ups. Today I see your Company's proposed growth projection for the forthcoming years take firm roots in these tie-ups.

I would like to share with the Company's employees, who incidentally are important stakeholders, the changes that are taking place in our working environment. Globalisation and deregulation are exerting unprecedented pressures all over. The ability of an organisation to meet the competition would now depend upon the Speed, the Quality, and the Efficiency of its delivery system through a conducive work environment. The Company's employees now have a dual responsibility. On the one hand to come to grips with new roles and on the other to ensure that the products provided to the consumer is the best. In line with this belief, your Company is devising policies for employee benefit. Your Company's top management recently organised seminars to identify the areas of concern and evolve suitable strategy to tackle them. This is only the beginning of our initiative to achieve total homogenous employee participation.

"Our Brand Equity with the launch of ZEE had created history. With these potential tie-ups and backups I foresee a golden period of growth for all of us who are inextricably linked with the Company. I also foresee sweeping changes in the next millennium and an unprecedented boom in the Writing Instruments Industry. Control in the new millenium will be by the principle of exclusivity. Advancement in Communication, Information Technology update besides the integration of various markets are some of the features that will play a vital role in the next millennium.

I feel India can be effective in its positioning in terms of labour costs, higher productivity and competitive pricing edge, provided we maintain strict regulations in our Quality and Technological update. Besides, given the insignificant level of population that is covered presently, the market offers unexplored potential for our new product range, primarily due to growing literacy in the country. As literacy and higher disposable incomes will redefine individual aspirations, the future in Writing Instruments is only for those who offer writing solutions to every segment of the country."

For Today's Pens Parivar

**Rajesh Kumar Drolia**

(Chairman & Managing Director)



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## Annual Report 1998-99

### NOTICE

NOTICE is hereby given that the SEVENTH ANNUAL GENERAL Meeting of the Members of TODAY'S WRITING PRODUCTS LIMITED will be held on 27th day of September, 1999 at Registered Office at Survey No. 251/2/2, Valsad Falia, Near Jain Temple, Dadra-396 230, Dadra & Nagar Haveli (U.T.) at 3.00 p.m. to transact the following business:

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 1999 and the Balance Sheet as at that date together with the Directors' Report and the Auditors' Report thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Rajesh Kumar Drolia, who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS :

5. To appoint Mr. Mukesh Gupta as director. To consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION :

"RESOLVED that pursuant to the provisions of Section 257 of the Companies Act, 1956, Mr. Mukesh Gupta, in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed a Director of the Company"

6. (a) INCREASE IN AUTHORISED SHARE CAPITAL

To consider and, if thought fit, to pass with or without modification(s), the following as an ORDINARY RESOLUTION :

"RESOLVED that subject to the provisions of Section 94(1) (a) of the Companies Act, 1956 and other applicable provisions, if any, the Authorised Share Capital of the Company be and is hereby increased from Rs.6,75,00,000/- (Rupees Six Crores Seventy Five Lacs only) divided into 67,50,000 (Sixty Seven Lacs Fifty Thousand) Equity Shares of Rs.10 (Rupees Ten Only) each to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs.10 (Rupees Ten Only) each.

- (b) ALTERATION OF CLAUSE V OF MEMORANDUM OF ASSOCIATION DUE TO INCREASE IN THE AUTHORISED SHARE CAPITAL

To consider and, if thought fit, to pass with or without modification (s), the following as an ORDINARY RESOLUTION :

"RESOLVED that pursuant to the provisions of section 16 and other applicable provisions of the Companies Act, 1956, in the existing Clause V of the Memorandum of Association of the Company, for the words and figures :

Rs.6,75,00,000/- (Rupees Six Crores Seventy Five Lacs only) divided into 67,50,000 (Sixty Seven Lacs Fifty Thousand) Equity Shares of Rs.10 (Rupees Ten Only) each the following words and figures be substituted i.e.

Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs.10 /- (Rupees Ten Only).

- (c) ALTERATION OF ARTICLE 4 OF ARTICLES OF ASSOCIATION DUE TO INCREASE IN THE AUTHORISED SHARE CAPITAL

To consider and, if thought fit, to pass with or without modification(s), the following as an **SPECIAL RESOLUTION** :

"RESOLVED that pursuant to the provisions of section 16 and other applicable provisions of the Companies Act, 1956, in the existing Clause V of the Memorandum of Association of the Company, for the words and figures :

Rs.6,75,00,000/- (Rupees Six Crores Seventy Five Lacs only) divided into 67,50,000 (Sixty Seven Lacs Fifty Thousand) Equity Shares of Rs.10 (Rupees Ten Only) each the following words and figures be substituted i.e.

Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of Rs.10 /- (Rupees Ten Only).

7. TO ISSUE FURTHER SHARES TO ANY PERSON

To consider and, if thought fit, to pass with or without modification(s), the following as an **SPECIAL RESOLUTION** :

"RESOLVED that in accordance with the provisions of the Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Reserve Bank of India (RBI), Government of India (GOI), Securities and Exchange Board of India (SEBI), if and as may be necessary and subject to the consents, permissions and sanctions of such other appropriate Authorities, the consent, authority and approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board", which term shall be deemed to include any committee which the Board may have constituted or may hereafter constitute to exercise its power, including the powers conferred by this resolution) to issue, offer for subscription of Shares by Public Issue and / or on Private Placement basis and/or in any other approved manner to such Foreign or Indian Institutions/Companies/ Individuals, including Overseas Corporate Bodies or other Foreign Bodies and/or Non-Resident Indians and/or other persons, whether or not they are members of the Company, as may be deemed appropriate by the Board and as may be permitted by law for 82,50,000 Equity Shares of Rs.10/- (Rupees Ten Only) each at par and/or with premium as may be decided by the Board of Directors or in any other approved manner through Offer Letters/Circulars/Prospectus and/or by Public Issue and/or firm allotment and/or on Private Placement basis as may be deemed and/or found appropriate by the Board, such offer, issue and allotment to be made at such time or items on such terms and conditions, if any, as the GOI/RBI/SEBI or such other appropriate Authorities may impose at the time of their according/granting approvals,

**Today's Writing  
Products Limited**

consents, permissions and sanctions and as may be agreed to by the Board."

FOR AND ON BEHALF OF THE BOARD  
RAJESH KUMAR DROLIA  
CHAIRMAN & MANAGING DIRECTOR

**Regd. Office :**

Survey No. 251/2/2, Valsad Falia, Near Jain Temple,  
Dadra-396 230. Dadra & Nagar Haveli  
Date : 30th day of July, 1999

**NOTES**

1. AN EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956, IN RESPECT OF ITEM NOS. 5 TO 7 OF THE NOTICE IS ANNEXED HERETO.
2. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF, AND PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, PROXY FORM MUST BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Dividend as recommended by the Board, if approved at the members' meeting will be payable on or after 27th September, 1999 to those members whose names are on the Company's Register of Members on 27th September, 1999.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 1999 to 27th September, 1999 (both days inclusive).
5. MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT ALONG WITH THEM AS COPIES OF THE REPORT WILL NOT BE DISTRIBUTED AT THE MEETING.
6. Members/proxies are requested to produce the Attendance Slip at the entrance of the Hall.
7. Members are requested to immediately intimate change of address, if any, to the Company quoting reference to their Register Folio Number,

FOR AND ON BEHALF OF THE BOARD  
RAJESH KUMAR DROLIA  
CHAIRMAN & MANAGING DIRECTOR

**Regd. Office :**

Survey No. 251/2/2, Valsad Falia, Near Jain Temple,  
Dadra-396 230. Dadra & Nagar Haveli  
Date : 30th day of July, 1999

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT 1956.**

**ITEM NO. 5**

Mr. Mukesh Gupta, who is member of the Company, has given a notice in writing under section 257 of the Companies Act, 1956

proposing his candidature for directorship and has deposited a sum of Rs.500/- with the Company. Mr. Mukesh Gupta is renowned businessman and has more than 25 years of experience in the writing instrument industry. His exposure to the industry will immensely benefit the Company by his inclusion on the Board of the Company. The Board recommends passing of the resolution.

None of the directors are concerned or interested in this resolution except Mr. Mukesh Gupta, the appointee.

**ITEM NO. 6**

At present the Authorised Share Capital of the Company is Rs. 6,75,00,000/- divided into 67,50,000 Equity Shares of Rs. 10 each. It is considered desirable to increase the Authorised Share Capital from Rs.6,75,00,000/- to Rs.15,00,00,000/- to facilitate the Company to issue further capital as and when required for meeting the requirement of the Company.

The proposed increase in the Authorised Share Capital of the Company requires the approval of the Members in General Meeting as Memorandum and Articles of Association are required to be altered to reflect the increase in share capital. the Board recommends the resolution.

None of the Directors are concerned or interested in this resolution.

**ITEM NO.7**

The resolution as set out in item no. 7 of this notice concerns a proposal by the Company to allow the Board of Directors to allot, issue or offer the shares of the Company to the Promoters/Directors, their friends/relatives and associates, group companies, existing members, employees, Non-resident Indians, Indian Public, Overseas Corporate Bodies, Foreign Institutional Investors etc. by Public Issue, Right Issue, Private Placement, Bought out deals, Reservations, Firm Commitments or any other method as permitted law on such terms and conditions as may be considered appropriate by Board of Directors.

Section 81 of the Companies Act, 1956 provides inter alia that the Company in the first instance should offer all the shares to be issued by the Company for subscription, Pro-rata to the existing Equity Shareholders unless decided otherwise in a General Meeting and accordingly, consent of the shareholders is being sought pursuant to provisions of the said section to issue and allot Equity Shares or any other instruments to the members or other persons as may be decided by the Board of Directors.

All the Directors of the Company may be deemed to be concerned or interested to the extent of allotment to be made to them, their relatives, friends or business associates and to the Firms, Companies and bodies corporate, in which they deemed to be concerned or interested.

FOR AND ON BEHALF OF THE BOARD  
RAJESH KUMAR DROLIA  
CHAIRMAN & MANAGING DIRECTOR

**Regd. Office :**

Survey No. 251/2/2, Valsad Falia, Near Jain Temple,  
Dadra-396 230. Dadra & Nagar Haveli  
Date : 30th day of July, 1999

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## Annual Report 1998-99

### DIRECTORS' REPORT

To,  
The Members,  
Today's Writing Products Limited

Dear Members,  
Your Directors have pleasure in presenting the seventh Annual Report together with the audited accounts for the year ended 31st March, 1999.

#### FINANCIAL RESULTS:

THE COMPANY'S FINANCIAL RESULT FOR THE YEAR UNDER REVIEW ARE AS UNDER

(Rs. in lacs)

	1998-99	1997-98
Profit Before Interest and Depreciation	293.68	275.73
Interest / Finance Charges	6.16	2.39
Depreciation	45.22	32.33
Profit Before Tax	242.30	241.01
Provision for Taxation	3.50	4.60
Profit after Tax	238.80	236.41
Balance brought forward from previous year	206.45	98.93
Amount available for appropriation	445.25	335.34
<b>APPROPRIATIONS:</b>		
Proposed Dividend	94.45	94.45
Tax on Dividend	10.39	9.44
Transfer to General Reserves	25.00	25.00
Balance carried to Balance Sheet	315.41	206.45

#### DIVIDEND:

Your Directors are pleased to recommend a dividend at the rate of 15% for the year ended 31st March, 1999, which will be tax free in the hands of the members. The dividend, if approved, by the members in the ensuing Annual General Meeting will absorb Rs. 94.45 lacs.

#### OPERATIONS:

The Company's performance during the year has to be viewed against the backdrop of an unfavourable and turbulent economic environment that has had adverse effects on the world economy too.

The Company's turnover during the year was Rs.2657 lacs compared to Rs.2595 lacs last year. Though the sales and net profit growth were

moderate, the profit after tax of your Company went up from Rs. 236.42 lacs to Rs. 238.80 lacs. Your Company has shown consistent performance in growth and profitability, inspite of general slowdown of the economy, recession in the market and increasingly stiff competition. With all its business segments faring well your Company continues to achieve appreciable growth.

#### CURRENT YEAR'S OUTLOOK:

Your Company is proposing to customise its range of products into several segments in both the low priced and high priced category. With our Smooth-writing range, Long-writing range and Fine-writing range alongwith 'Klick' 'Lenco' 'Zing', 'Jazz', 'New Lenco' 'Zotter' Twisty, 0.5, Jolly etc., doing extremely well, we are fairly confident of capturing sizeable market and will be able to achieve commendable performance during the current Financial Year barring unforeseen circumstances.

As you are already aware, our tieup with Mon-Ami (Korea) and Aubex (Japan) was to bring in International writing style to our product range. Our foreign associations and tie-ups will continue to induce an extra edge into our writing style.

Your Company signed on popular filmstar Salman Khan to promote its products on a nationwide scale. The signing of Salman Khan has been more than a commercial decision for your Company. The literacy drive that has been initiated with him is also a part of your Company's contribution towards the institutional effort directed to our valued consumer.

Your Company also signed on Mumbai Ranji Trophy team for the next three years, featuring the batting maestro of the millennium Sachin alongwith other team members to endorse and promote your Company's products.

Subsequently the campaign with Sachin and his team-mates echoing the all pervasive anthem, 'Jeetna hai Today' was nationally acclaimed and covered by all leading newspapers of the country. Especially, your Company's effort directed at cheering the Indian Team playing at England for the cricket world cup received wide acclaim both from the Consumers and the media alike.