

39th Annual Report

For the year ended 31st March

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Kaira Can Company Limited

KAIRA CAN COMPANY LIMITED

Board of Directors	:	Shri Premal N. Kapadia, <i>Chairman</i>
	:	Shri Utsav R. Kapadia, <i>Managing Director</i>
	:	Shri Bharatkumar M. Vyas, (<i>nominee of GCMMF</i>)
	:	Shri Vivek J. Matthai, (<i>nominee of GCMMF</i>)
	:	Shri Nanak G. Sheth
Company Secretary	:	Shri Devang R. Mehta
Bankers	:	Bank of Baroda, Mumbai
	:	HDFC Bank Ltd., Mumbai
Auditors	:	Messrs. C.C.Chokshi & Co., <i>Chartered Accountants</i>
Registered Office	:	Tiecicon House, Dr. E. Moses Road, Mumbai – 400 011. E-mail : kairacan@vsnl.com Website : http://www.kairacan.com

KAIRA CAN COMPANY LIMITED

Registered Office : Tiecicon House, Dr. E. Moses Road, Mumbai - 400 011.

NOTICE

Notice is hereby given that the Thirtyninth Annual General Meeting of the Shareholders of Kaira Can Company Limited will be held at the Registered Office of the Company, Tiecicon House, Dr. E. Moses Road, Mumbai - 400 011 at 11.00 a.m. on Monday, 30th September, 2002 to transact the following business:

1. To consider and adopt the Balance Sheet as at 31st March, 2002, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri P.N. Kapadia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

NOTES:

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The proxy form should be lodged with the Company at its Registered Office atleast 48 hours before the meeting.
- b) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 26th September, 2002 to Monday, 30th September, 2002, both days inclusive.
- c) The dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2002, if approved and declared at the Annual General Meeting will be payable to those members whose names stand on the Register of Members of the Company on 30th September, 2002.
- d) Members are requested to inform any change in their addresses immediately to the Company's Registrar and Transfer Agents M/s. Computech Sharecap Ltd., 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Fort, Mumbai - 400 023, so as to enable the Company to send communications at their correct addresses.
- e) No tax will be deducted at source if the dividend amount payable to an individual shareholder does not exceed Rs.2,500/-. Shareholders who are entitled to receive dividend in the aggregate not exceeding Rs.50,000/- during the Financial Year 2002-2003 and who desire to receive dividend without deduction of tax may file with the Company a declaration in Form 15-G, in duplicate, on or before 24th September, 2002.
- f) In terms of Section 139A(5A) & (5B) of the Income-tax Act, 1961, the Company will be able to issue Tax Deduction Certificate, wherever applicable, only if Permanent Account Number (PAN) together with designation and particulars of the Ward/Circle or Range of the Assessing Officer is furnished.

By Order of the Board of Directors,
For **KAIRA CAN COMPANY LIMITED**

DEVANG R. MEHTA
Company Secretary.

Mumbai, Dated : 24th August, 2002.

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FIVE YEAR REVIEW

PARTICULARS		YEAR ENDING MARCH				
		1998	1999	2000	2001	2002
EARNINGS AND DIVIDENDS						
SALES	Rs. in lakhs	9526.62	9195.69	8903.91	9499.14	11311.78
CHANGE IN SALES		1%	(3%)	(3%)	7%	19%
PROFIT SUBJECT TO :	Rs. in lakhs	108.64	115.70	157.37	192.82	206.16
(A) DEPRECIATION	..	24.04	29.04	37.27	45.81	65.76
(B) TAXATION	..	33.00	35.00	40.00	51.00	48.44
NET PROFIT	..	51.60	51.66	80.10	96.01	91.96
EARNINGS TO NET WORTH	Percent	5.79	5.62	8.23	9.19	8.94
EARNINGS PER EQUITY SHARE	Rupees	5.91	5.91	9.17	11.05	10.49
DIVIDEND ON EQUITY SHARES	Per Share	2.50	2.50	2.50	2.50	2.50
FINANCIAL POSITION						
EQUITY SHARE CAPITAL	Rs. in lakhs	87.4	87.4	87.4	87.4	87.4
RESERVE AND SURPLUS	..	804.6	832.0	885.4	957.8	940.9
SHAREHOLDERS' FUNDS (NET WORTH)	..	892.0	919.4	972.8	1045.2	1028.3
SECURED LOANS	..	1212.9	1036.9	835.4	908.1	1119.2
UNSECURED LOANS	..	332.4	213.9	79.3	92.3	132.1
DEFERRED TAX LIABILITY	..	—	—	—	—	110.1
FUNDS EMPLOYED	..	2437.3	2170.2	1887.5	2045.6	2389.7
FIXED ASSETS (NET BLOCK)	..	553.8	694.3	701.9	873.6	1004.3
INVESTMENTS	..	10.9	3.4	3.4	3.4	2.8
CURRENT ASSETS	..					
LOANS AND ADVANCES	..	3750.2	2764.6	2856.6	3304.9	3706.0
LESS : CURRENT LIABILITIES AND PROVISIONS	..	1877.6	1292.1	1674.4	2136.3	2323.4
NET CURRENT ASSETS	..	1872.6	1472.5	1182.2	1168.6	1382.6
APPLICATION OF FUNDS	..	2437.3	2170.2	1887.5	2045.6	2389.7
BOOK VALUE PER SHARE	Rupees	102.0	105.0	111.3	119.6	117.7
DEBT/EQUITY RATIO		0.10	—	—	—	—
CAPITAL EXPENSES	Rs. in Lakhs	69.88	178.53	137.78	222.9	211.2
NET CASH FLOW	Rs. in Lakhs	(23.97)	(3.53)	94.47	133.4	102.7

KAIRA CAN COMPANY LIMITED

DIRECTORS' REPORT**TO THE MEMBERS,**

The Directors present the Thirtiyninth Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2002.

1. FINANCIAL RESULTS

	31st March, 2002 (Rupees)	31st March, 2001 (Rupees)
Profit before extraordinary item, depreciation and tax	2,26,16,215	1,92,82,163
Extraordinary Item (donation to Gujarat Earthquake Relief Fund)	20,00,000	—
Depreciation	65,75,969	45,81,328
Profit before tax	1,40,40,246	1,47,00,835
Less : Provision for current tax	25,00,000	51,00,000
Provision for deferred tax	23,43,500	—
Net profit for the year amounts to	91,96,746	96,00,835
(Short)/Excess provision for taxes in respect of earlier year	(29,249)	50,382
Balance brought forward from previous year	51,23,043	53,78,594
The disposable profit for the year amounts to which the Directors have decided to appropriate as follows:-	1,42,90,540	1,50,29,811
(a) Proposed Dividend	21,84,000	21,84,000
(b) Tax on Proposed Dividend	—	2,22,768
(c) General Reserve	70,00,000	75,00,000
Leaving the surplus in Profit and Loss Account	51,06,540	51,23,043

2. DIVIDEND

The Directors recommend payment of the following dividend for the year ended 31st March, 2002, which, if approved by the Shareholders at the Annual General Meeting to be held on 30th September, 2002, will be paid to those Shareholders whose names stand on the Register of Members of the Company on 30th September, 2002.

A dividend @ 25% on 8,73,600 Equity Shares of Rs.10/- each... Rs.21,84,000/-.

3. OPERATIONS

The turnover of the Company during the year increased approx. by 21% from Rs.9804 lakhs to Rs. 11823 lakhs. The sale of metal containers and its components, etc. increased from Rs. 6181 lakhs during the year 2000-01 to Rs. 6646 lakhs during the year 2001-02 representing an increase of 8%. This has been possible due to comparatively higher volume of OTS business consequent upon good mango crop. The profit before extraordinary item, depreciation and tax has registered a growth of 17%. However, the profit before tax has declined due to severe cut-throat competition and consequent restraints on product price correction.

During the year, the Company has donated Rs. 20 lakhs to Gujarat Earthquake Relief Fund on philanthropic grounds.

During the year under review, the total sales of the Sugar Cone Division were Rs. 144 lakhs including job-work receipts of Rs. 54 lakhs.

The sales volume of the Milk & Milk Products Division (MMPD) has shown a remarkable increase from Rs.3275 lakhs in the previous year to Rs. 4561 lakhs during the year 2001-02, thereby registering a

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growth of 39%. With the continued valuable guidance and assistance extended by the Gujarat Co-operative Milk Marketing Federation Limited (GCMMF), our milk division is expected to achieve improved performance in sales growth during the current year.

The Company could have achieved higher sales in all the segments, but for the communal riots that broke out in most parts of Gujarat during March, 2002.

As mentioned in the previous year's report, the Company embarked on to a new food parlour business in association with GCMMF. The first such restaurant has been in operation at Vashi, Navi Mumbai, since April, 2002. The restaurant has been named as "Utterly Delicious". Initial response from the public is reasonably good. The Company has future plans to open such restaurants in different parts of Mumbai or even franchising as a possible expansion vehicle. The Company appreciates the valuable guidance and the assistance provided by GCMMF in starting this new line of business.

The budget for 2002-03, though not spectacular, is not unreasonable given the present economic scenario. In the area of direct taxes, some of the measures are harsh. There are few proposals for revival of the investment climate, but these are too few and not sufficiently significant to have any major impact. However, reduction in administered interest rates is a welcome step towards a lower interest rate regime. Reduction in import duty will reduce the input cost of the tinplate, but the depreciation in Rupee value is likely to nullify this advantage. Recent slow down in the global economy had also an adverse effect on the economy of India.

With the consistent and vigorous efforts being made by the Company in efficient usage of raw material and other cost reduction measures, the Company expects to improve its performance during the current year.

4. EXPORTS

During the year under review, the Company has achieved export earnings to the tune of Rs.807 lakhs from export of metal containers, printed sheets and components.

5. (a) Total Foreign Exchange Earned.

Product exports including deemed exports.	Rs. 1136.20 lakhs
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(b) Total Foreign Exchange Used.

(i) Import of tinplate (main raw material), Stores & Spares.	Rs. 1195.32 lakhs
(ii) Commission on exports.	Rs. Nil
(iii) Import of Capital Goods.	Rs. 61.68 lakhs

Rs. 1257.00 lakhs

6. CONSERVATION OF ENERGY

Conservation of energy has been receiving constant attention and measures are being taken for effective control on electricity and fuel consumption. All aspects of generation and usage are regularly reviewed. The Company has undertaken various measures in rationalisation of electric power and fuel consumption. Savings have been achieved in switching over from high speed diesel to LDO (low density oil) in coating/printing oven drying system. The Company will continue its thrust on cost reduction in conservation of energy. The employees are also conscious of the Company's efforts in this direction and are extending their full co-operation.

7. TECHNOLOGY ABSORPTION

The Company has been engaged in constantly upgrading the can making technology. Two Auto RLT (ring-lid-tagger) machines for 603 dia. were designed and manufactured for producing top-sets, thereby leading to manpower savings. The Company continues its efforts in upgradation of systems and equipment. The benefits derived as a result of these efforts are (a) improvement in quality of product (b) cost reduction in terms of better productivity and (c) customer satisfaction through better product performance.

KAIRA CAN COMPANY LIMITED**8. PUBLIC DEPOSITS**

At the end of the Financial Year, there were six depositors whose deposits were not claimed by them or for which disposal instructions had also not been received though the repayments had fallen due and the total amount involved in such deposits was Rs.34,000/-. Since then, four deposits amounting to Rs.26,000/- have been refunded and two deposits amounting to Rs.8,000/- still remain unclaimed.

9. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri P.N. Kapadia retires by rotation and, being eligible, offers himself for re-election.

10. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956 :

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2002, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.
- (ii) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and that judgements and estimates are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the end of the Financial Year ended 31st March, 2002, and of the profit of the Company for that year.
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the annual accounts for the year ended 31st March, 2002, have been prepared on a going concern basis.

11. PERSONNEL

During the year under review, relations between the employees and the management remained satisfactory at all the Units of the Company.

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are not given since the remunerations paid to employees during the financial year 2001-02 were below the limits prescribed by the amended Companies (Particulars of Employees) Rules, 1975.

12. COMPLIANCE CERTIFICATE

The Certificate of Compliance issued by M/s. Mehta & Mehta, Company Secretaries in whole-time practice is attached herewith in terms of the Companies (Compliance Certificate) Rules, 2001.

13. AUDITORS

The Auditors Messrs. C.C.Chokshi & Co., Chartered Accountants, retire at the end of the ensuing Annual General Meeting and it is proposed that they be re-appointed.

14. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Gujarat Co-operative Milk Marketing Federation Limited, Banks, Government Authorities and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for its success.

On behalf of the Board of Directors,

Premal N. Kapadia
Chairman.

Mumbai, Dated : 24th August, 2002.

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SECRETARIAL COMPLIANCE CERTIFICATE

U/S 383-A of the Companies Act, 1956 & Rule 3 of the Companies (Compliance Certificate) Rules, 2001.

To the Members of
KAIRA CAN COMPANY LIMITED

We have examined the registers, records, books and papers of KAIRA CAN COMPANY LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2002. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid Financial Year:

1. the Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies. No forms and returns were filed with Regional Director, Central Government and Company Law Board as it was not required.
3. the Company has the minimum prescribed paid-up capital.
4. the Board of Directors duly met five times on 30th April, 2001, 30th July, 2001, 31st August, 2001, 31st October, 2001 & 31st January, 2002 during the Financial Year under scrutiny in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. the Company has closed its Register of Members pursuant to Section 154 of the Companies Act, 1956.
6. the Annual General Meeting for the Financial Year ended 31st March, 2001 was held on 28th September, 2001 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for that purpose.
7. no Extraordinary Meeting was held during the Financial Year.
8. the provisions of Section 295 of the Companies Act, 1956 are not attracted by the Company.
9. the Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. the Company has made necessary entries in the register maintained under Section 301 of the Act.
11. there were no instances falling within the purview of Section 314 of the Act.
12. the Company has not issued any duplicate Share Certificates during the Financial Year.
13. the Company has:
 - (i) transferred shares during the year and has delivered all the certificates on lodgment thereof for transfer or any other purpose in accordance with the provisions of the Act.
 - (ii) the Company has deposited dividend amount in a separate bank account for the dividend declared during the Financial Year under scrutiny.
 - (iii) the Company has paid/posted cheques/demand drafts for the dividend declared during the Financial Year under scrutiny as per the provisions of Section 205 of the Companies Act, 1956.
 - (iv) there being no transaction necessitating transfer, the Company has not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with the requirements of Section 217 of the Act.

KAIRA CAN COMPANY LIMITED

14. the Board of Directors of the Company is duly constituted and the appointment of Directors, Alternate Directors and Directors to fill casual vacancies have been duly made.
15. the appointment of Managing Director/Whole-time Director/Manager has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. the Company has not appointed any sole-selling agents during the Financial Year.
17. the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the year under certification.
18. the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. the Company has not issued any Equity Shares during the Financial Year
20. the Company has not bought back any shares during the Financial Year.
21. the Company has not issued any Preference Shares/debentures hence no Preference Shares/debentures were redeemed during the Financial Year.
22. there was no transaction necessitating the Company to keep in abeyance, rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the Company has invited/accepted deposits including unsecured loans falling within the purview of Section 58-A during the Financial Year and has duly complied with the requirements of the said Section.
24. the Company has not made any borrowings during the year attracting provisions of Section 293(1)(d) of the Act.
25. the Company has not made loans and investments or given guarantees or provided securities to other bodies corporate during the Financial Year.
26. the Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. the Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny .
30. the Company has not altered its Articles of Association during the year under scrutiny .
31. there was/were no prosecution initiated against or show cause notices received by the Company, during the Financial Year, for offences under the Act.
32. the Company has not received any money as security from its employees during the Financial Year under certification.
33. the Company has not constituted its Provident Fund under Section 418 of the Companies Act, 1956 and hence provisions of Section 418 of the Act do not apply to the Company.

For Mehta & Mehta
Company Secretaries

Atul Mehta
Partner

C.P.No. : 2486
A.C.S.No. : 7977

Mumbai : Dated : 16th August, 2002.

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1. Register of Members u/s 150(1)
2. Register of Contracts, companies and firms in which Directors are interested u/s 301(1)
3. Register of Directors, Managing Director, Manager and Secretary u/s 303(1)
4. Register of Directors Shareholdings u/s 307(1)
5. Copies of Annual Return prepared u/s 163(1)
6. Minutes of proceedings of meetings of Board of Directors and of General Meetings u/s 193(1)
7. Register of Investments u/s 372A
8. Books of Accounts u/s 209(1)
9. Register of Directors Attendance

For Mehta & Mehta
Company Secretaries

Atul Mehta
Partner

C.P.No. : 2486

A.C.S.No. : 7977

Mumbai : Dated : 16th August, 2002.

ANNEXURE – B

**Forms and Returns as filed by the Company with the Registrar of Companies,
Regional Director, Central Government or other authorities during the Financial
Year ended on 31st March, 2002.**

Document	Filed under Section	For the	Remarks
Balance Sheet	220	Financial Year 31 st March, 2001	Filed within due date
Annual Return	159	Annual General Meeting held on 28 th September 2001	Filed within due date
Form No. 25C	269(2) & Schedule XIII	Appointment of Managing Director	Filed within due date
Return of Fixed Deposits	Rule 10 of Companies (Acceptance of Deposits) Rules, 1975	Return of Fixed Deposits for the Financial Year ended 31.03.2001	Filed within due date
Form No. 20A	149(2A)	Commencement of new business	Filed within due date
Form No. 23	→ 293(1)(e) → 192(4)(c) → 310 → 149(2A)	→ Consent of donation → Re-appointment of Managing Director → Increase in sitting Fees → Commencement of new business	Filed within due date
Advertisement	Rule 4 of Companies (Acceptance of Deposits) Rules, 1975	Advertisement under Rule 4 of Companies (Acceptance of Deposits) Rules, 1975 read with Section 58-A of Companies Act, 1956 for the Financial Year ended 31.03.2001	Filed within due date
Form No. 32	303(2)	→ Resignation of Mr. A. Sivaram Nair as Company Secretary → Appointment of Mr. Devang Mehta as Company Secretary	Filed within due date

For Mehta & Mehta
Company Secretaries

Atul Mehta
Partner

C.P.No. : 2486

A.C.S.No. : 7977

Mumbai : Dated : 16th August, 2002.