

**49<sup>th</sup>**

**Annual Report**

For the year ended 31<sup>st</sup> March

**2012**



**Kaira Can Company Limited**

<b>Board of Directors</b>	:	Shri. Premal N. Kapadia, Chairman
	:	Shri. Ashok B. Kulkarni, Managing Director
	:	Shri K. Jagannathan, Executive Director
	:	Shri Utsav R. Kapadia
	:	Shri R. S. Sodhi (Nominee of GCMMF)
	:	Shri Jayen Mehta (Nominee of GCMMF)
	:	Shri Nanak G. Sheth
<b>Company Secretary</b>	:	Shri Hiten Vanjara
<b>Bankers</b>	:	Bank of Baroda, Mumbai
<b>Auditors</b>	:	Kalyaniwalla & Mistry <i>Chartered Accountants</i>
<b>Registered Office</b>	:	ION House, Dr E Moses Road, Mahalaxmi, Mumbai 400 011 Telephone No.: +91-22-66608711 Fax No. : 91-22-66635401 Email : companysecretary@kairacan.com Website: www.kairacan.com

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FIVE YEARS REVIEW

PARTICULARS		YEAR ENDING MARCH				
		2008	2009	2010	2011	2012
EARNINGS AND DIVIDENDS						
SALES	Rs.in lakhs	17,311.27	11,732.63	10,261.75	11,850.15	11,723.92
CHANGE IN SALES		-6%	-32%	-13%	15%	-1%
PROFIT SUBJECT TO :	Rs.in lakhs	237.20	118.69	618.60	447.26	549.40
(A) DEPRECIATION	"	107.53	95.24	126.24	64.53	101.49
(B) TAXATION	"	45.09	12.36	88.05	215.26	152.99
NET PROFIT		84.58	11.09	404.31	167.47	294.92
EARNINGS TO NET WORTH	Percent	6.23	0.82	23.29	8.92	13.75
EARNINGS PER EQUITY SHARE	Rupees	9.17	1.20	43.85	18.16	31.98
DIVIDEND ON EQUITY SHARES	Per Share	2.50	1.00	2.50	2.50	2.50
FINANCIAL POSITION						
EQUITY SHARE CAPITAL	Rs.in lakhs	92.20	92.20	92.20	92.20	92.20
RESERVES & SURPLUS	"	1,265.80	1,266.10	1,643.60	1,784.25	2,052.37
SHAREHOLDERS' FUNDS (NET WORTH)	"	1,358.00	1,358.30	1,735.80	1,876.45	2,144.57
SECURED LOANS	"	1,132.20	749.50	792.20	664.70	994.73
UNSECURED LOANS	"	666.15	713.50	274.20	240.00	297.15
DEFERRED TAX LIABILITY / (ASSET)	"	84.80	74.20	22.20	(32.55)	6.45
FUNDS EMPLOYED	"	3,241.15	2,895.50	2,824.40	2,748.60	3,442.90
FIXED ASSETS (NET BLOCK)	"	924.30	865.05	600.70	806.20	1,753.74
INVESTMENTS	"	3.40	7.10	17.15	27.20	27.20
CURRENT ASSETS						
LOANS AND ADVANCES	"	4,827.50	3,551.50	3,899.80	4,274.65	4,060.59
LESS : CURRENT LIABILITIES AND PROVISIONS	"	2,514.05	1,528.15	1,693.25	2,359.45	2,398.63
NET CURRENT ASSETS	"	2,313.45	2,023.35	2,206.55	1,915.20	1,661.96
APPLICATION OF FUNDS	"	3,241.15	2,895.50	2,824.40	2,748.60	3,442.90
BOOK VALUE PER SHARE	Rupees	147.30	146.50	188.30	203.50	232.60
DEBT / EQUITY RATIO		-	-	-	-	-
CAPITAL EXPENSES	Rs.in Lakhs	102.00	47.50	211.40	395.20	1,370.00
NET CASHFLOW	Rs.in Lakhs	32.90	15.93	86.60	359.68	280.99

**KAIRA CAN COMPANY LIMITED**

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

**NOTICE**

Notice is hereby given that the Forty-Ninth Annual General Meeting of the Shareholders of Kaira Can Company Limited will be held at the Registered Office of the Company, ION House, Dr. E. Moses Road, Mumbai - 400 011 at 11.00 a.m. on Thursday, the 12th July, 2012 to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Balance Sheet as at 31st March, 2012, 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 a Dividend on Equity Shares.
3. To appoint a Director in place of Shri N.G.Sheth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Jayen Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors,

**For KAIRA CAN COMPANY LIMITED**

Place : Mumbai  
Date : 28th May, 2012

**Hiten Vanjara**  
Company Secretary

**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 Share Transfer Books of the Company will remain closed from Thursday 5th July, 2012, to Thursday, 12th July, 2012, both days inclusive.
- c) The dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2012, if approved and declared at the Annual General Meeting will be payable to those members who hold Equity Shares in physical form and whose names stand on the Register of Members of the Company as on Thursday the 12th July, 2012 and also to those members who hold Equity Shares in Demat form and whose names appear on the list of members provided by NSDL and/or CDSL for that purpose.
- d) Members are requested to inform change in their addresses, if any, 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 to members at their correct addresses. Members are also requested to quote ledger folio/DP ID numbers in all of their communications with the Company or the Registrar.

By Order of the Board of Directors,

**For KAIRA CAN COMPANY LIMITED**

Place : Mumbai  
Date : 28th May, 2012

**Hiten Vanjara**  
Company Secretary



## **DIRECTORS' REPORT**

TO THE MEMBERS,

The Directors present the forty-ninth Report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2012.

### **1. FINANCIAL RESULTS**

	<b>31st March, 2012</b> <b>(Rupees)</b>	<b>31st March, 2011</b> <b>(Rupees)</b>
Profit from Manufacturing Operations & Job work	<b>4,47,91,039</b>	3,82,73,221
<b>Profit before tax</b>	<b>4,47,91,039</b>	3,82,73,221
Less : Provision for current tax	<b>1,14,00,000</b>	2,70,00,000
Provision for deferred tax	<b>38,99,455</b>	(54,73,570)
<b>Net profit for the year amounts to</b>	<b>2,94,91,584</b>	1,67,46,791
Balance brought forward from previous year	<b>3,76,75,472</b>	3,36,07,997
<b>The disposable profit for the year amounts to</b>	<b>6,71,67,056</b>	5,03,54,788
<b>which the Directors have decided to appropriate as follows:-</b>		
(a) Proposed Dividend	<b>23,05,333</b>	23,05,333
(b) Tax on Proposed Dividend	<b>3,73,983</b>	3,73,983
(c) General Reserve	<b>1,00,00,000</b>	1,00,00,000
<b>Leaving the surplus in Profit and Loss Account</b>	<b>5,44,87,740</b>	3,76,75,472

### **2. DIVIDEND**

The Directors recommend payment of the following dividend for the year ended 31st March, 2012, which, if approved by the members at the Annual General Meeting to be held on 12th July, 2012, will be paid to those members of the Company who hold Equity Shares in physical form and whose names stand on the Register of Members of the Company as on 12th July, 2012 and to those members who hold their Equity Shares in Demat form and whose names appear on the list of members provided by NSDL/CDSL for that purpose.

A dividend @ 25% on 9,22,133 Equity Shares of Rs. 10 /- each ..... Rs. 23,05,333.

### **3. REVIEW OF OPERATIONS**

The Company has achieved a total sales turnover of Rs.11,724 lakhs for the year ended 31st March, 2012 as compared to Rs.11,850 lakhs for the previous year - a drop of 1%. The decline is attributed mainly to two factors. Firstly, the sales of OTS cans were affected due to poor mango season in Western part of India, i.e., Gujarat region and Kokan region of Maharashtra. Secondly, our exports of metal components to Middle East countries were substantially reduced due to prevailing economic conditions there.

As a result of the above, the Company could achieve a turnover of Rs.10,588 lakhs of metal cans and its components during the year under review as compared to Rs.10,791 lakhs for the previous year – a reduction of 2%. The Company could only execute export orders worth Rs.1,189 lakhs of metal cans and its components during the year under review as compared to Rs.1,517 lakhs for the previous year, a drop of 22%.

However, the profitability has shown an improved trend as compared to previous year. This growth is mainly due to two reasons, firstly on account of higher job-work earnings of the Milk and Milk Products Division (MMPD) and secondly due to sale of four small tenements owned by the Company at Mehsana, as a result of closing the said Unit last year.

The work of installation of the Oven at Kanjari Unit was completed in October, 2011. The work of installation of the new imported Printing and Coating Line at Kanjari Unit was also completed in October, 2011. As the Printing and Coating Machinery was installed and commissioned in the third quarter of 2011 - 12, it would enable the Company to compete more effectively in the OTS market and also tap the export market.

The Milk and Milk Products Division has achieved job-work earnings to the tune of Rs.662 lakhs during the year ended 31st March, 2012 as compared to Rs.603 lakhs for the previous year – a growth of 10%.

The Sugar Cone Division has achieved a sales turnover of Rs.474 lakhs as compared to Rs.456 lakhs for the previous year. As the demand for Sugar Cones for filling ice-cream continues to be increasing, the Company has undertaken an expansion of its Vitthal Udyog Nagar Unit, Kheda District. The construction of additional shed will be completed in the third quarter of the current financial year. The Company has already placed the order for new imported equipment which will be installed in the new shed and the commercial production is expected to commence in the third quarter of the current year.

The Company is hopeful of better performance during the current year.

#### 4. EXPORTS

During the year under review, the Company has achieved export earnings to the tune of Rs. 1,189 lakhs from export of metal containers and components.

#### 5. (a) Total Foreign Exchange Earned.

Product exports including deemed exports	Rs. 1,304 lakhs
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#### (b) Total Foreign Exchange Used.

Import of tinplate (main raw material), Stores & Spares,	Rs. 4,573 lakhs
Capital Goods, etc.	

#### 6. CONSERVATION OF ENERGY

Energy conservation continued to be priority area for the Company for effective control on electricity and fuel consumption at all the Units. During the year, further cost savings have been achieved in switching over of LPG with Natural Gas at our Kanjari Unit. All the Units of the Company have now switched over with Natural Gas.

#### 7. TECHNOLOGY ABSORPTION

The Company continues its efforts in upgradation of systems and equipment with a view to improving the quality of its products, minimizing manufacturing wastages, cost reduction in terms of better productivity and customer satisfaction through better product performance. As mentioned in the last year's report, the Company has already installed and commissioned the new imported Printing and Coating Line at Kanjari Unit. As demands for Sugar Cones for filling ice-cream continues to be increasing, the Company has undertaken an expansion of its Vitthal Udyog Nagar Unit, Kheda District. The construction of additional shed and the installation of the new imported equipment is expected to be completed in the third quarter of the current year.

#### 8. PUBLIC DEPOSITS

At the end of the financial year, there were five depositors whose deposits were not claimed by them or for which disposal instructions had also not been received though the repayment had fallen due and the total amount involved in such deposits were Rs. 1,25,000/-.

#### 9. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri N. G. Sheth and Shri Jayen Mehta retire by rotation and being eligible, offers themselves for re-election.

#### 10. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has its wholly owned Subsidiary, namely PUMA Properties Limited. The results of PUMA Properties Limited are attached to the Annual Report along with Statement specified in Section 212 of the Companies Act, 1956. The Company is also presenting its Audited Consolidated Financial Statements, which form part of the Annual Report, in compliance with the accounting standards.

#### 11. 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 on 31st March, 2012, 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 judgements and estimates that are reasonable and prudent made so as to give a fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2012 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 on 31st March, 2012, have been prepared on a going concern basis.

## **12. 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 2011-12 were below the limits prescribed by the amended Companies (Particulars of Employees) Rules, 1975.

## **13. AUDITORS**

The Auditors M/s. Kalyaniwalla and Mistry, Chartered Accountants, retire at the end of the ensuing Annual General Meeting and it is proposed that they be re-appointed. The Company has received a Certificate from them to the effect that their appointment, if made, will be within the prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

## **14. ACKNOWLEDGEMENT**

Your Directors would like to express their 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,

Place : Mumbai

Dated : 28th May, 2012

**PREMAL N. KAPADIA**

Chairman

**REPORT OF THE AUDITORS**

TO THE MEMBERS OF KAIRA CAN COMPANY LIMITED

1. We have audited the attached Balance Sheet of **Kaira Can Company Limited**, as at March 31, 2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comment in the annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
    - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- 5) On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012, from being appointed as director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of  
**Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Reg. No. 104607W

**Viraf R Mehta**  
Partner  
Membership No: 32083

Mumbai, 28th May, 2012





**ANNEXURE TO THE AUDITOR'S REPORT**

Referred to in Paragraph (3) of our report of even date on the accounts of **Kaira Can Company Limited**, for the year ended March 31, 2012.

- 1) (a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and physical inventory were reported for the assets verified during the year.  
(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the company.
- 2) (a) The Management has conducted physical verification of inventory at reasonable intervals.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.  
(b) The Company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58 AA and other relevant provisions of the Companies Act , 1956 and the Companies ( Acceptance of Deposits ) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 7) *The Company did not have an internal audit system during the year.*
- 8) As informed to us, the maintenance of cost records has been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for the year for the products of the Company and it is maintain by the company, however it is need to be updated.
- 9) (a) According to the information and explanations given to us , the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund , Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax , Service Tax, Customs Duty, Excise Duty ,Cess and other statutory dues applicable to it with the appropriate authorities during the year . According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, details of disputed amounts payable on account of Sales Tax, Income Tax and Excise Duty or cess outstanding on account of dispute are as under:

Name of the Statue	Nature of Dues	Net Balance (Rs.)	Period to which the amount relates	Forum where dispute is pending
Bombay Sales Tax Act	Sales Tax Demand	150,320	1993-94	Deputy Commissioner of Sales Tax Appeals , Mumbai
Central Excise Act,1944	Excise Duty	3,25,27,145	Various years from 2001-02 to 2010-11	Central Excise & Service tax Appellate Tribunal / Commissioner (Appeals)
Income Tax Act, 1961	Income Tax Demand	3,13,000	1988-89	Income Tax Appellate Tribunal
		1,74,622	2000-01	Income Tax Appellate Tribunal
		18,15,437	2005-06	Income Tax Appellate Tribunal
		56,58,010	2006-07	Income Tax Appellate Tribunal
		6,54,100	2006-07	Commissioner of Income Tax Appeals
		5,37,370	2007-08	Commissioner of Income Tax Appeals
		24,44,186	2008-09	Commissioner of Income Tax Appeals
		8,04,720	2009-10	Commissioner of Income Tax Appeals
Total		4,50,78,910		

- 10) The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders as at the balance sheet date.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts in respect of investments purchased and sold during the year and timely entries have been made therein. The investments made by the Company are held in its own name.
- 15) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans have been applied for the purpose for which the loans were obtained.
- 17) On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the Company has not utilized the funds raised on short-term basis for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of  
**Kalyaniwalla & Mistry**  
Chartered Accountants  
Firm Reg. No. 104607W

**Viraf R Mehta**  
Partner

Mumbai, 28th May, 2012

Membership No: 32083