



2nd

Annual Report 2005-2006

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Radha Madhav Corporation Limited

: Regd. Office :

**Survey No. 50/9/A, Daman Industrial Estate,
Kadaiya, Nani Daman 396 210, UT of Daman & Diu**

Phone: + 91-260 2220176, 2220621, 2221177, 2221214, 2221577, 2221677. Fax: + 91-260 -2220177



BOARD & OTHER PARTICULARS

BOARD OF DIRECTORS

Chairman	Mr. Anil J. Agrawal
Managing Director & CEO	Mr. Mitesh A. Agrawal
Director	Mr. Kanubhai Patel
Director	Mr. S. P. Aggarwal
Director	Mr. Ramesh Bhandari *
Director	Mr. Binod Kumar Paliwal *

* Independent, Non-Executive Directors

AUDITORS	H.P.SHAH & ASSOCIATES
SECRETARIAL AUDITOR	JAGDISH PATEL (In Practice)
COMPLIANCE OFFICER	SANJAY AGRAWAL

BANKERS	State Bank of India Vapi I.T. Branch, Vapi Bank of Baroda Mangaldas Market Branch, Kalbadevi, Mumbai & SSI Branch, Somnath, Daman.
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REGISTERED OFFICE	Survey No. 50/9/A, Daman Industrial Estate, Kadaiya, Nani Daman 396 210, UT of Daman & Diu.
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REGISTRAR & SHARE TRANSFER AGENT	Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup West, Mumbai 400078 Tel No.: 022- 25963838, Fax No.: 022 -25946969
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Radha Madhav Corporation Limited

NOTICE is hereby given that the SECOND ANNUAL GENERAL MEETING of the Members of RADHA MADHAV CORPORATION LIMITED Will be held at the Registered Office of the Company at Survey No. 50/9/A, Daman Industrial Estate, Kadaiya, Nani Daman 396 210, UT of Daman & Diu on 29th September, 2006 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS

1.	To receive, consider and adopt the Balance Sheet as at 31st March, 2006 and Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2.	To appoint a Director in place of Mr. Mitesh A. Agrawal, who retires by rotation, and being eligible offers himself for re-appointment.
3.	To appoint a Director in place of Mr. Kanubhai M. Patel, who retires by rotation, and being eligible offers himself for re-appointment.
4.	To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
	<u>SPECIAL BUSINESS:</u>
	To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
4.	"RESOLVED THAT Mr. S. P. Aggarwal, who was appointed as an Additional Director of the Company by the Board of Directors, who holds office under Section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, who has given his consent to act as director and declaration in Form DD-A, be and is hereby appointed as a Director of the Company liable to retire by rotation."

For and on Behalf of the Board

- sd/-

Anil Agrawal
ChairmanPlace: Daman
Dated : 28th August, 2006



NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll only 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 meeting.
2. Explanatory statement pursuant to section 173 of the companies act, 1956, relating to the special business set out on the notice is annexed herewith.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2006 to 29th September, 2006 (both days inclusive).
4. Shareholders desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Compliance officer at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.
5. Members/ proxies are requested to produce the Attendance Slip at the entrance Hall.
6. Members are requested to immediately intimate change of address, if any, to the Company quoting reference to their Register Folio Number.
7. At the ensuing Annual General Meeting Mr. Mitesh A. Agrawal and Mr. Kanubhai M. Patel retires by rotation and are being proposed for re appointment and Mr. S. P. Aggarwal is proposed to be appointed, the detail as required under Clause 49 of the Listing Agreement is given below :

Name of the Directors	Date of Appointment	Age	Qualification & Experience	No. of Shares held	Directorship in other Companies	Chairman ship/ membership in any committee
Mr. Mitesh Agrawal	Since Incorporation dt. 7.1.2005	29	M.Sc.MBA	21,28,035	N.A	—
Mr. Kanubhai Patel	5.4.2005	49	Engineer	1,58,692	N.A	Radha Madhav Corporation Limited, Member
Mr. S. P. Aggarwal	14.2.2006	61	Retired IAS Officer	Nil	N.A	—

For and on Behalf of the Board

Place : Daman
Dated : 28th August, 2006

—sd/—
Anil Agrawal
Chairman

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACTS, 1956

Item No. 4

Mr. S. P. Aggarwal was appointed as an Additional Director of the Company with effect from February 14, 2006, and pursuant to Section 260 of the Companies Act, 1956. Mr. S. P. Aggarwal holds office of Director upto the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. S. P. Aggarwal for the office of Directorship under the provisions of Section 257 of the Companies Act, 1956.

None of the Directors are concerned or interested in this resolution except Mr. S. P. Aggarwal

For and on Behalf of the Board

Place : Daman
Dated : 28th August, 2006

—sd/—
Anil Agrawal
Chairman



DIRECTORS' REPORT

To,
The Members,
Radha Madhav Corporation Limited,
Daman.

Dear Sirs,

The Directors have pleasure in presenting the Second Annual Report together with the Audited Accounts for the year ended on 31st March, 2006.

FINANCIAL RESULTS

PARTICULAR	31.3.2006 in Rs.	31.3.2005 in Rs.
Sales (Gross)	44,78,35,130	2,56,03,237
Profit before Depreciation & Tax	4,64,63,918	11,67,234
Less: Depreciation	40,51,966	1,96,015
Profit After Depreciation & before Tax	4,24,11,952	9,71,219
Provision for Tax (Deferred and Provision for Wealth Tax)	1,21,75,189	1,64,348
Profit /(Loss) after tax	3,02,36,763	8,06,871
Less: Proposed Dividend on Equity Shares	NIL	NIL
Less: Proposed Tax on Dividend	NIL	NIL
Balance brought forward from Balance sheet	8,06,871	NIL
Balance carried to Balance Sheet	3,10,43,634	8,06,871

OPERATIONS

Turnover for the year has been increased by 24.60% over the previous year (annualized), and profits before Tax jumped into more than double. The results are from the existing plant and machinery before implementation of expanded and new projects to be completed out off the funds raised by IPO & Banks finance.

MANAGEMENT ANALYSIS & OUTLOOK

The Management discussion and Analysis Report is also appearing in this Annual Report elsewhere.

The Company is presently supplying secondary packaging material to the pharmaceutical industry, however, it is planned to supply for primary packaging material to pharmaceutical industry, and for that the company has set up expansion programme known as "RADHA MADHAV CORPORATION LIMITED UNIT VI" divided into two locations, one at Daman and another at Pantnagar in the State of Uttaranchal. The company will enjoy the various tax benefits and concessions granted by the Government.

INCREASE IN CAPITAL:

As the Members are aware, during the year, the Company raised the fund through IPO and allotted shares on 30th December, 2005 and was privileged to get the listing Permission on the Bombay Stock Exchange Limited on 06.01.2006. The Issue was over subscribed by eight times, for which the Board of Directors expresses its heartiest thanks for the trust, confidence and support by the investors for making Public Issue a grand success.



The project is delayed on account of delay in delivery of imported machineries.

The Management thought and decided to set up project at Uttaranchal for which allotment of 18,00,000 Equity shares were made on preferential basis to **India Star (Mauritius) Limited** and the same are Listed on BSE and allotment of 19,50,000 Warrants to the promoters and others providing the holder the option to subscribe to one fully paid-up Equity Share for every warrant at a price of Rs. 45/- each on 26th May, 2006. The Company has passed Special Resolution u/s 81(1A) of the Act, authorizing Board or Committee thereof to raise further fund Foreign Currency Convertible Bonds convertible into Equity Shares at the option of the Company and/or holders of the securities not exceeding Rs. 50,00,00,000/-

The company has increased authorised share capital from Rs. 20 Crores to Rs. 27.50 Crores.

FINANCE

The Project has been financed by Equity as above and Term Loans and Working Capital by State Bank of India in consortium with Bank of Baroda.

DEPOSITS

The Company has not accepted Deposits within the meaning of section 58A of the Companies Act 1956

DIRECTORS

During the year Mr. S. P. Aggarwal, who was appointed as an Additional Director of the Company by the Board of Directors and whose term of office expires at this Annual General Meeting is proposed to be appointed as a Director of the Company **Mr. Mitesh A. Agrawal & Mr. Kanubhai M Patel**, Directors will retire by rotation at ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. Mr. Abhishek A. Agrawal has resigned as Director from the Company.

AUDITORS

The present Auditors of the Company **M/s. H. P. Shah Associates.**, Chartered Accountants, Vapi, will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment to hold the office till the conclusion of next Annual General Meeting.

They have submitted certificate for their eligibility for reappointment under section 224(1-B) of the Companies Act, 1956.

As to Auditors' comments, the Company has obtained prior approval under section 297 of the Companies Act, 1956, however, by inadvertently, the approval for two concerns in which non promoter non executive Director is interested, for which the Company will prefer an application for compounding offence u/s 621A.

AUDIT COMMITTEE

The Board of Directors constituted an Audit Committee on 5th April 2005 was Re-constituted on 8th August, 2005, as per the existing clause 49 of the Listing Agreements entered into with the Bombay Stock Exchange and in terms of Section 292A of the Companies Act, 1956. The Present composition of the Audit Committee is as follows:

Name	Designation	Category
Mr. Ramesh Bhandari	Chairman	Non Executive and Independent Director
Mr. Binod Kumar Paliwal	Member	Non Executive and Independent Director
Mr. Kanubhai Patel	Member	Non Executive

CORPORATE GOVERNANCE

The Company has appointed Company Secretary in practice with experience of more than 15 years to supervise and advise for compliance of the Corporate Governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Separate section titled Corporate Governance along with the Certificate from the Company's Auditor on its compliance is attached to Annual Report.



Radha Madhav Corporation Limited

INSURANCE

All the properties of your Company including Factory, Building, Plant & Machinery, stock etc., are adequately insured.

PARTICULARS OF EMPLOYEES

None of the employees of the Company was paid remuneration of Rs. 24,00,000/- p.a. or more for the year or Rs. 2,00,000/- p.m. or more and hence the information required under section 217 (2-A) of the Companies (Particulars of Employees) Rules, 1975 is not required to be given.

CONSERVATION OF ENERGY**Power and fuel Consumption**

	31.3.2006	31.3.2005
(1) Electricity		
Purchased units	35,71,975	11,393
Total Amount (Rs.)	13,56,115	233,205
Rate per Unit (Rs.)	2.63	20.47
(2) Own Generator		
Fuel (Diesel) (Ltr)	910	Nil
Total Amount (Rs.)	32,236	Nil
Rate Per Litter (Rs.)	35.42	Nil
Fuel (Super Kerosene Oil)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Rate Per Litter (Rs.)	Nil	Nil

TECHNOLOGY ABSORPTION

The technology required for the industry is available indigenously.

FOREIGN EXCHANGE EARNING & OUTGO

	31.3.2006	31.3.2005
	Rs. in Lacs	Rs. in Lacs
Earning	50.25	NIL
Outgo	485.01	NIL

DIRECTORS' RESPONSIBILITY STATEMENT:

Yours Directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standards had been followed and that no material departures have been made from the same
- That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for presenting and detecting fraud and other irregularities;
- That they had prepared the annual accounts on a going concern basis.

APPRECIATION

The Directors take this opportunity to express their appreciation for continued co-operation and assistance extended by Investors, Government Authorities, Bankers, Suppliers and Customers. Your Directors look forward to their continued support. Last but not the least, your Directors also sincerely acknowledge the significant contributions made by the devoted workers, staff and executives for their dedicated services to the Company.

By and on Behalf of The Board

-sd/-

Mr. Anil J. Agrawal
Chairman

Place : Daman

Date: - 27th June, 2006



Secretarial Audit Report

To,
The Board of Directors,
RADHA MADHAV CORPORATION LIMITED
 Survey No. 50/9A, Daman Industrial Estate,
 Village Kadaiya, Nani Daman 396 210,
 UT of Daman & Diu

We have examined the Registers, Records, Books and papers of RADHA MADHAV CORPORATION LIMITED, having its registered office at Survey No. 50/9A, Daman Industrial Estate, Village Kadaiya, Nani Daman 396 210, UT of Daman & Diu, and registration No. 56-3775, as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended 31st March, 2006. In our opinion and to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify, in respect of the aforesaid year, that:

- 1 The necessary Registers and Records have been maintained properly and in accordance with the requirements as Per The Companies Act, 1956 and Rules there under.
- 2
 - a) All the requisite Forms, Returns and Documents have been filed with the Registrar of Companies and other authorities as per the provisions of the Act and Rules there under.
 - b) The company has obtained prior approval of the Central Government u/s 297 of the Companies Act, 1956, except in concern in which one of the non promoter non executive Director is concerned or interested.
 - c) The Company has appointed Company Secretary who has resigned during the year.
- 3 All the requirements relating to the meetings of Members, Directors and Committee of the Directors as well as relating to the minutes of the proceedings thereat have been complied with.
- 4 Due disclosures have been made by the Directors under Section 299, 301/305 and as required under the Listing Agreement. The Company has also complied with the requirements in pursuance of the disclosure made by its directors
- 5 The Annual General Meeting of company was held on 1.7.2005.
- 6 There was no incidence of prosecution initiated against or show case notice received by the Company and no fines or penalties were imposed on the Company under the Act against the Company, its Directors and Officers.
- 7 The Company has framed code of conduct and procedure for its Directors and officers of the Company, restricting to deal in securities of the Company to protect Investors against insider trading as provided under SEBI (Prohibition of Insider Trading) Regulation 1992, the same has been complied.
- 8 The Company has complied of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the annual disclosure for the year ended 31st March, 2006.
- 9 The Company has complied with provisions of Depository Act, 1996 and bye-laws framed thereunder.
- 10 The Company has complied with provisions of the Listing Agreement including clause 49 of the Listing Agreement relating to Corporate Governance. The Company has adopted code of Conduct as required under Clause 49 and the same is hosted on the website of the Company.

For JAGDISH PATEL & CO.,
Company Secretaries,

-sd/-
 Jagdish Patel
 Proprietor
 Place: Vapi
 Date : 27th June, 2006



MANAGEMENT DISCUSSION AND ANALYSIS

We perceive a great opportunity in the retail business segment. Arrival of companies like Reliance Retail, Pantaloon and expansion of existing retail chains are fueling the demand for more packaging materials.

Brands are getting bigger with organized players like ITC coming in confectionary and other food and beverages market.

Companies in packaging industry are growing by mergers and acquisitions. Allowing them to carry out the business at a larger scale and allowing them to integrate backwards. Business shift in packaging industry from small scale industry to larger companies will grow the business and make it more organized.

There is threat for companies in packaging industry from the competition from large players who are consolidating and becoming still larger and also arising out of globalization of Indian industry. Companies need to upgrade their scale and integrate various aspects in the business to remain competitive.

Our performance has been good in manufacturing and supplying packaging products in food segment especially dairy industry. We also added various customers in pharmaceutical segment.

Our performance is totally dependent on our ability to produce, that is our gross block and our ability to sale. Outlook of the industry and the company is highly positive based on our past experience and approvals from various federations. Most of the machineries and other producing equipments for unit IV have been successfully installed and the products are getting well accepted in the market. We have developed a gross block of approximately Rs. 50.00 Crores in Unit IV and are in process of investing approximately Rs. 90.00 Crores in our pharmaceutical packaging business. Our published results are only based on the gross block of approximately Rs. 10.00 Crores

Rising crude prices of the Petrochemical products have been a risk to our company. However our ability to pass it to the customers has enabled us to di-risk ourselves. Most of our contracts are made in cost plus standards.

We have in place internal control systems to take care of audits and control various other aspects. However to take care of the expansion, we are installing SAP in the company and target to go live by April 2007. We have also hired Wipro as the implementation partner.

We have also recruited 8 polymer engineers in our R & D department.

Statement in this Management Discussion and Analysis describing Company's objectives, projections, estimates and expectations may be forward looking and the actual results may differ substantially or materially depending on unknown circumstances natural, political and economic environment in India and Interanationally.

Report on Corporate Governance

(Pursuant to clause 49 of the Listing Agreement)

1. Company's philosophy on code of Governance

Corporate Governance is concerned with creation of long-term value for shareholders while at the same time balancing interests of other stakeholders, viz. Employees, Creditors, Government and the Society, at large. Corporate Governance is crucial to the very existence of a company as it builds confidence and trust.

The Company is committed for good Corporate Governance i.e., to achieve business excellence and add shareholders value following desired disclosure practices and sound decision-making achieved through harmonious interactions amongst the Board of Directors, its Committees and Senior Management. Transparency is the key guiding principle for all decisions, transactions and policy matters.

2. Board of Directors

Composition of the Board:

The Board of Directors consists of 6 Directors out of which 1 is Executive Director, 5 are Non Executive Directors including 2 Independent Directors. The Chairman of the Company is Non Executive Director.

All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies. The details, as on date, of the composition of the Board and changes therein since the last Annual report, category of the Directors and their attendance at the Board Meetings and the last Annual General Meeting, number of their Directorship in other companies incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies) are given below:



Name of Director	Category of Directorship #	No. of Board Mtgs. Attended	Attendance at the last AGM	Directorship in other Companies Incorporated in India (excluding Alternate directorships & directorship in Pvt. Ltd. Companies)	No. of specified Committees (Other than RMCL) in which Chairman / Member \$		No. of Equity Shares held
					Chairman	Member	
Mr. Anil J. Agrawal	Chairman- N.E.D.	32	Yes	--	-	-	13,10,364
Mr. Mitesh A Agrawal	M.D.	32	Yes	--	-	-	21,28,035
Mr. Abhishek A. Agrawal @ @	E.D.	31	Yes	--			21,33,586
Mr. Kanubhai Patel	N.E.D.	28	Yes	--	-	-	1,58,692
Mr. Binod Kumar Paliwal	I & N.E.D.	13	No	Sachin Infra - Environmental Ltd.	-		2,500
Mr. Ramesh Bhandari	I & N.E.D.	16	Yes	--	--	--	10,000
Mr. S.P Aggrawal @	N.E.D.	0	N.A	--	--	--	NIL

I - Independent Director, N.E.D. Non-Executive Director, M.D. Managing Director, E.D. Executive Director.

\$ As required by the existing Clause 49 of the Listing Agreements entered into with the Stock Exchanges, only Membership/Chairmanship of the Audit Committee and Investors Grievance Committee of public companies have been considered.

@ Appointed as Additional Director on 14th February, 2006.

@ @ Resigned to be a Director on 14th February, 2006.

Number of Board Meetings held during the year along with the dates of Meetings:

During the year 2005-2006, 32 Board Meetings were held as follows:-

April 05 to June 05	July 05 to Sept. 05	Oct. 05 to Dec. 05	Jan. 06 to March 06
04-04-2005	04-07-2005	14-10-2005	31-01-2006
05-04-2005	14-07-2005	17-10-2005	09-01-2006
16-04-2005	01-08-2005	26-10-2005	14-02-2006
25-04-2005	08-08-2005	08-11-2005	31-03-2006
28-04-2005	26-08-2005	26-11-2005	
18-05-2005		01-12-2005	
25-05-2005		30-12-2005	
30-05-2005			
01-06-2005			
02-06-2005			
06-06-2005			
09-06-2005			
11-06-2005			
18-06-2005			
23-06-2005			
28-06-2005			