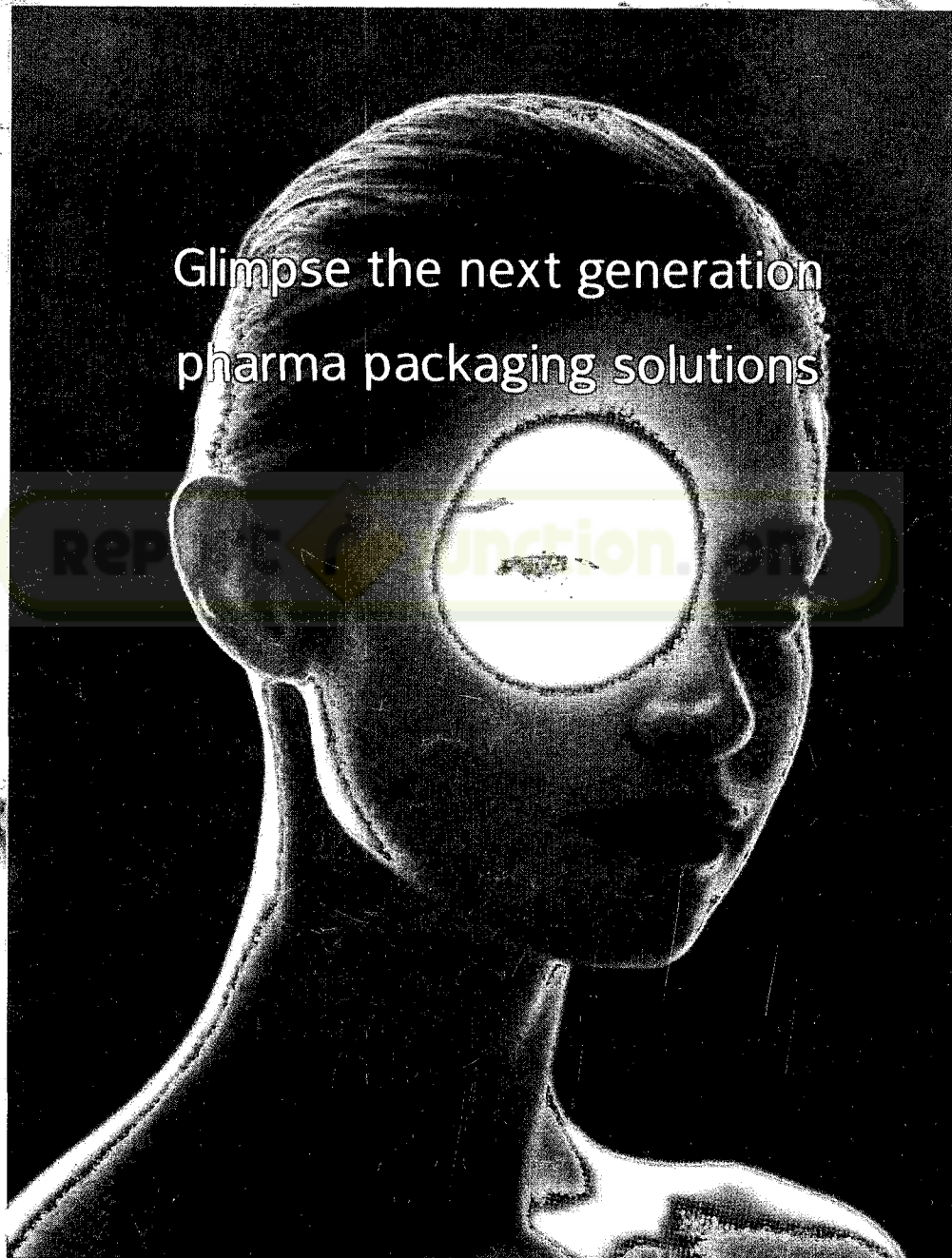




Radha Madhav Corporation Limited

Annual Report 2006-07

Glimpse the next generation  
pharma packaging solutions



# Our Mission

We aim to be a global Packaging Company with Multi-Technologies, Multi-Products, Multi-Processes, Multi-Materials "expertise" to address the challenging consumer market.

We aim not to restrict ourselves to only manufacturing of packaging products, but rather work towards development of new products, their applications and provide holistic solutions in the arena of packaging.

Where  
Report Junction.com  
Dreams Come



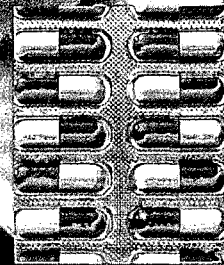
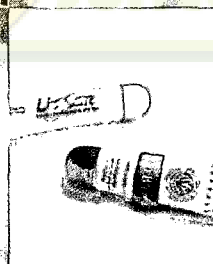
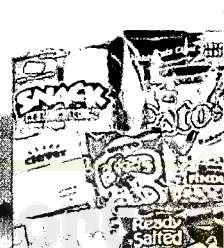


# Packaging Solutions for

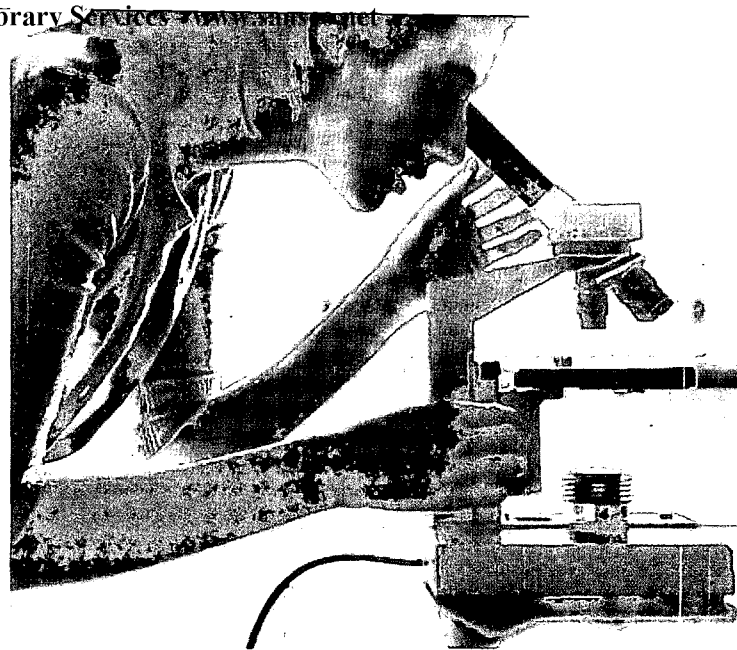


• PHARMA

• FOOD







Seeing is

## Research and Development

The changing world of packaging is constantly posing exciting new challenges. Packaging function though important, has now ceded way to innovation in packaging design and delivery. Innovation in fact, is the key to offering satisfying answers to the fast evolving demands of customers the world over.

It is imperative therefore, that we at RMCL understand the implications of a dynamic market and its customers, and come forth with the answers before the questions are even asked.

To accomplish this RMCL has identified and emphasized R&D as one of the key growth components. It is investing in setting up a truly world class, state of the art R & D center.

The center is equipped with the best in research technology equipment and is manned by an intelligent think tank of technocrats who are seriously clued into customer trends, habits, buying patterns, usage etc. of packaging. From the assimilation, analysis and intelligent application of this data, RMCL plans to widen and add more value to its packaging solutions portfolio.

The center will also serve as a knowledge hub where RMCL will undertake compatibility studies for various Food and Pharma products as a stand alone business activity. RMCL is already in discussion with various laboratories in Europe for probable collaboration.

The ultimate motive being, to pioneer new product development capabilities and offer all its customers a clear edge with efficient and high tech packaging solutions.

**BOARD & OTHER PARTICULARS****BOARD OF DIRECTORS**

Mr. Anil J. Agrawal	<i>Chairman</i>
Mr. Mitesh A. Agrawal	<i>Managing Director &amp; CEO</i>
Mr. Kanubhai Patel	<i>Director</i>
Mr. S. P. Aggarwal.*	<i>Director</i>
Mr. Ramesh Bhandari *	<i>Director</i>
Mr. Binod Kumar Paliwal *	<i>Director</i>
Mr. Ravi Kumar R. Sanwalka	<i>Additional Director</i>
Mr. Serge A Lapointe	<i>Additional Director</i>

\* Independent, Non-Executive Directors

**AUDITORS** H. P. Shah Associates

**COMPANY SECRETARY**  
In Practice Jagdish Patel & Co.

**COMPLIANCE OFFICER** Mr. Sanjay Agarwal

**BANKERS** State Bank Of India,  
Vapi I.T. Branch, Vapi  
Bank Of Baroda,  
Mangaldas Market Branch,  
Mumbai  
Bank Of Baroda,  
SSI Daman Branch, Daman

**Registered Office** Survey No. 50/9A,  
Daman Industrial Estate,  
Village Kadaiya,  
Nani Daman -396 210,  
UT of Daman & Diu.  
E-mail : [rmcl@rmclindia.co.in](mailto:rmcl@rmclindia.co.in)  
Investor Complaint Email ID:-  
[investor\\_complaint@rmclindia.co.in](mailto:investor_complaint@rmclindia.co.in)  
Tel : 91 - 260 - 2220176,  
2220621, 2221177, 2221214  
Fax No. 91 - 260 - 2220177

**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

**NOTICE** is hereby given that the **Third Annual General Meeting** of the Members of **Radha Madhav Corporation Limited** will be held at the Registered Office of the Company at Survey No. 50/9A, Daman Industrial Estate, Village Kadaiya, Nani Daman -396 210, UT of Daman & Diu on 29<sup>th</sup> September, 2007 at 11 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at **31st March, 2007** and Profit & Loss Account for the year ended on that date and to consider the Directors' and Auditors' Report.
2. To appoint a Director in place of Mr. Ramesh Bhandari, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Binod Kumar Paliwal, 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.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Mr. Abhishek Agrawal, be and is hereby appointed as a Director of the company liable to retire by rotation for which notice in writing Under Section 257 of the Companies Act, 1956 is received, from a member proposing his candidature for the company of Director, including the consent of Mr. Abhishek Agrawal to act as Director in Form DD-A."

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

**"RESOLVED THAT** Mr. Ravi Kumar R. Sanwalka, 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."

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

**"RESOLVED THAT** Mr. Serge A Lapointe, 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**  
Chairman

Place : Daman  
Dated : 28<sup>th</sup> June 2007

## Annual Report 2006-07

## 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. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.09.2007 to 27.09.2007 (both days inclusive).
3. 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.
4. Members/proxies are requested to produce the Attendance Slip at the entrance Hall.
5. Members are requested to immediately intimate change of address, if any, to the Company quoting reference to their Register Folio Number.
6. At the ensuing Annual General Meeting Mr. Ramesh Bhandari and Mr. Binod Kumar Paliwal retire by rotation and are being proposed for re appointment and Mr. Abhishek Agrawal, Mr. Ravi Kumar R. Sanwalka and Mr. Serge A Lapointe are proposed to be appointed as Directors, the detail as required under Clause 49 (IV)(E)(v) of the Listing Agreement is given below:

Name	Age	Educational Qualification	Experience	No. of share hold
Mr. Abhishek Agrawal	25	BCS from Daekin University, Australlia	3 Years	2133586
Mr. Ramesh Bhandari	62	Ex- Regional Manager of the Bank for Daman & Diu Region	35 years	10000
Mr. Binod Kumar Paliwal	53	B.SC.	28 years	2500
Mr. Ravi Kumar R. Sanwalka	39	B.Com	14 years	Nil
Mr. Serge A Lapointe	52	BEPC, BEI, BAC, BTS Chemistry, Diploma Engineer	36 years	Nil

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

## Item No.5

Mr. Abhishek Agrawal who is by Profession BCS name has been proposed by a member along with a deposit of Rs. 500/- proposing the candidature 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. Anil Agrawal, Mr. Mitesh Agrawal & Mr. Abhishek Agrawal.

## Item No. 6

Mr. Ravi Kumar R. Sanwalka was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> March, 2007, and pursuant to Section 260 of the Companies Act, 1956. Mr. Ravi Kumar R. Sanwalka 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. Ravi Kumar R. Sanwalka 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. Ravi Kumar R. Sanwalka.

## Item No. 7

Mr. Serge A Lapointe was appointed as an Additional Director of the Company with effect from 5<sup>th</sup> June, 2007, and pursuant to Section 260 of the Companies Act, 1956. Mr. Serge A Lapointe 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. Serge A Lapointe 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. Serge A Lapointe.

For and on Behalf of the Board

sd/-

Place : Daman  
Dated : 28<sup>th</sup> June 2007

Anil Agrawal  
Chairman





Radha Madhav Corporation Limited

**DIRECTORS' REPORT**

To,  
The Members,  
Radha Madhav Corporation Limited

Dear Sir/Madam

The Directors have pleasure in presenting the Third Annual Report together with the Audited Accounts for the year ended on 31<sup>st</sup> March, 2007.

**FINANCIAL RESULTS**

	31.3.2007 in Rs.	31.3.2006 in Rs.
Sales and other Operational Income	90,66,67,441	44,80,76,966
Profit before Depreciation & Tax	9,77,29,747	4,64,63,918
Less: Depreciation	1,10,09,136	40,51,966
Profit After Depreciation & before Tax	8,67,20,611	4,24,11,952
Provision for Tax (including Deferred, Fringe Benefit Tax and Provision for Wealth Tax )	2,60,96,771	1,21,75,189
Profit /(Loss) after tax	6,06,23,840	3,02,36,763
Balance brought forward from Balance sheet	3,10,43,634	8,06,871
Balance carried to Balance Sheet	9,16,67,473	3,10,43,634

**PERCENTAGE GROWTH OVER THE PREVIOUS YEAR**

PARTICULARS	% Growth over the Previous Year
Sales and other Operational Income	102.34
Profit before Depreciation & Tax	110.33
Profit /(Loss) after tax	100.49

**OPERATIONS**

We are happy to report good working results for the year under review. This performance of the Company has been on base of partial operations of our unit 4 which was started in phased manner in the fag end of the year 06-07.

Our performance for the fag end of the year when consolidated on the annualized basis will set the tone for next year. Also the performance of our existing assets will also improve with time.

Our Unit 4 was established with the IPO proceeds and Bank loans from SBI and BOB. This Factory manufactures barrier and functional films with state of the art technology. Here we also manufacture BOPE film which is destined to be first of its type film in the country and is technologically superior film. We believe that as the contribution of sales from these assets increases in the overall sales of the company, the overall percentage of profits will also improvise.

Our forth coming project in Rudrapur and Daman will also be operational by the end of year bringing large impact on our sales and profits.

**DIVIDEND**

Since being in project phase, Directors feel that the resources should be conserved for the project. They believe that at this phase of the project, company should borrow minimum possible debt in the overall interest of the shareholders. Hence Directors do not recommended any dividend for this year.

**INCREASE IN CAPITAL, UTILIZATION OF PREFERENTIAL ISSUE PROCEEDS & FINANCE**

The Company has raised/received Rs. 3426 Lacs against issue of various securities on preferential basis for setting up of project in the state of Uttaranchal and Union Territory of Daman and to fulfill the additional fund requirement for



## Annual Report 2006-07

normal capital expenditure and manufacturing facilities and funding of long term working capital requirements. Also financed internally and through Term Loans and Working Capital by Bank.

**TECHNOLOGY INPUT:**

Company thrives heavily on latest technologies of the world to maintain its leadership position in its business. The Details of the Technology adopted by our Company in a more elaborated Form is as under:

**1. Existing Technology for food and Pharmaceutical packaging project:**

Company has adopted Italian and German technology for manufacturing multi-layered blown film. It is also in process of installing its third Cast film manufacturing line from Italy.

Our Company develops and manufactures bilaterally oriented Polyethylene film which is a functional and barrier film. This technology is available with only few players in the world and Our Company is the only company in the country to produce films with this technology. Our Company can manufacture films of very low thickness providing better cost per unit advantage to various customers in Pharmaceutical and food industry.

Printing Technology of the company comes from Schiavi of Italy and Sung-An of Korea. These technologies provide various attributes ensuring aesthetically superior packaging products.

**.2. Technology adoption for dedicated Pharmaceutical Packaging Project:**

**a) Coating Technology:**

4 station coating technology from Pagenderm of Germany will form the basis of our leadership in PVdC coated blisters. The technology encompasses pressurized doctor chambers to deposit PVdC over blister in precise manner.

Existing manufacturers of coated blister are unable to manufacture even 40 gram coated blister in one single process. We can manufacture coated blister in single passes and in most hygienic manner at very low operative cost.

**b) Streching Technology:**

Tentre Frame Techonlogy is adopted from DMT of France. This technology is also destined to be the first in the country.

**c) Metallising:**

Metallising technology is adopted from Germany and Italy. Technology enables us to metallise non conventional substrates like Paper also.

**d) Tandem Extrusion Coating:**

The lamination extrusion coating technology is adopted from Korea, ensuring manufacture of products confirming to global standards.

**DEPOSITS:**

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

**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.

**AUDIT COMMITTEE**

The Board of Directors constituted an Audit Committee as per the existing clause 49 of the Listing Agreements entered into with The Bombay Stock Exchange Limited 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
Mr. S. P. Agrawal	Member	Non Executive and Independent Director
Mr. Ravi Kumar R. Sanwalka	Member	Non Executive and Independent Director

**CORPORATE GOVERNANCE**

The Company has appointed Company Secretary in practice with experience of more than 16 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 and MDA 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**

	31.3.2007	31.3.2006
<b>(1) Electricity</b>		
Purchased units	38,81,942	35,71,975
Total Amount (Rs.)	1,12,77,309	13,56,115
Rate per Unit (Rs.)	2.90	2.63
<b>(2) Own Generator</b>		
Fuel (Diesel) (Ltr)	32,684	910
Total Amount (Rs.)	12,10,214	32,236
Rate Per Litter (Rs.)	37.02	35.42
Furnace Oil	28,020	Nil
Total Amount (Rs.)	5,40,790	Nil
Rate Per Litter (Rs.)	.19	Nil
LPG Cylinder {Kg.}	196	Nil
Total Amount {Rs.}	3,55,952	Nil
Rate Per {Kg.}	18.16	Nil

**TECHNOLOGY ABSORPTION**

The technology required for the industry is available indigenously.

**FOREIGN EXCHANGE EARNING & OUTGO**

	31.3.2007 Rs. in Lac	31.3.2006 Rs. in Lac
Earning	39.67	50.25
Outgo	2,821.14	485.01

Most of the Foreign Exchange Outgo is for Purchase of Capital Goods for the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Your 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.

For and on Behalf of the Board

Place : Daman  
Dated : 28<sup>th</sup> June 2007

sd/-  
Anil Agrawal  
Chairman