

RAJASTHAN CYLINDERS & CONTAINERS LIMITED

31st Annual Report

2010-11

SP-825, ROAD NO.14, V.K.I. AREA, JAIPUR

BOARD OF DIRECTORS

S.G. BAJORIA
AVINASH BAJORIA
ALKA BAJORIA
RAGHUNANDAN JALAN

Chairman Cum Managing Director
Jt. Managing Director
Director
Additional Director

BANKERS

CENTRAL BANK OF INDIA
ANAND BHAWAN
S.C. ROAD
JAIPUR.

AUDITORS

S.S. SURANA & CO.

**FACTORY &
REGISTERED OFFICE**

SP-825, ROAD NO. 14
VISHWAKARMA INDUSTRIAL AREA
JAIPUR.

Rajasthan Cylinders & Containers Limited
Regd. Office: SP 825 Road No. 14, V K I Area, Jaipur 302013

NOTICE

Notice is hereby given that the 31st Annual General Meeting of Rajasthan Cylinders & Containers Limited will be held at SP-825, Road No.14, V.K.I. Area, Jaipur on Friday the 30th September, 2011 at 11.00 A.M. to transact the following business: -

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2011 and the Report of Directors and Auditors thereon.
2. To appoint a director in place of Smt. Alka Bajoria who retires by rotation at the ensuing meeting and being eligible, offers herself for reappointment.
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification (s) the following resolution as an ordinary resolution:

“RESOLVED THAT M/s S. S. Surana & Co., Chartered Accountants Jaipur be and is hereby appointed as the auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company.”

Special Business

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

“RESOLVED THAT pursuant to the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Sh. Raghunandan Jalan who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the company be and is hereby appointed as Director of the company subject to retirement by rotation.”

By Order of the Board

Registered Office:

SP-825, Road No. 14,
V.K.I. Area,
Jaipur-302013

Sd/-

Chairman-cum-Managing Director

Place: Jaipur
Date: 30.08.2012

Notes:

- (a.) A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member
- (b) The Proxy form is enclosed, which should be deposited at the Registered office of the Company duly completed and signed not later than 48 hours before commencement of the meeting.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 27.09.2011 to 30.09.2011(both days inclusive) for the purpose of closure of transfer books.
- (d) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business as set out above is annexed hereto.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**Item No.4**

The Board of the company had at its meeting held on 14.12.2010 appointed Sh. Raghunandan Jalan as an Additional Director of the Company. In terms of the provision of Section 260 of the Companies Act, 1956 read with Articles of Association of the company Sh. Raghunandan Jalan holds his office only upto the date of this Annual General Meeting.

Your Company has pursuant to Section under 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the Office of Directors.

Your directors recommend the resolution for your approval.

Registered Office:

SP-825, Road No. 14,
V.K.I. Area,
Jaipur-302013

By Order of the Board

Sd/-

Chairman-cum-Managing Director

Place: Jaipur
Date: 30.08.2012

Rajasthan Cylinders & Containers Limited
Regd. Office: SP 825 Road No. 14, V K I Area, Jaipur 302013

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2011

	(Rs. in Lacs)	
FINANCIAL RESULTS	2010-11	2009-10
Surplus before Depreciation	165.28	203.01
Less: Depreciation	53.56	50.64
	-----	-----
Net Surplus from Operations	111.72	152.37
Less: Adjustment for Income Tax	34.91	23.53
: Deferred Tax Liability	(10.84)	29.88
	-----	-----
	87.65	98.96
 Add: Surplus from previous year	 1848.44	 1,749.48
Surplus carried forward	1936.09	1,848.44

During the year the production of Cylinders, Valves and regulators were 2,23,926 nos., 16,80,381 nos. and 1,72,303 nos. against the production 4,40,674 nos., 11,47,850 and 3,49,350 nos. respectively recorded in previous year. Sales during the year were recorded Rs. 4119.67 lacs as against Rs. 5375.74 Lacs in the previous year.

During the year 2010-11, the Company recorded lower sales and production of cylinders mainly due to technical reasons. Company's products are subject to quality verification by Bureau of Indian Standard (BIS). BIS have provided various check system to be followed by the company during production and Company strictly following those system and maintain the quality as per standard provided by BIS.

Only after clearance by BIS, Company is dispatching its products to the customers. As per existing policies, if any leakage occurred at the first stage of gas filling than BIS suspend the production till they identify the reasons and such reasons are being rectified. During the year about 2 times company was asked by BIS to suspend the production in view of leakage observed at gas filling stage and during that suspension period company suffered the production of cylinders.

However, company has taken all steps as advised by BIS time to time and since 6th January 2011 it is having the regular production of Cylinders.

OTHER ACTIVITY:

In trading activities company has sold the Marble during the year.

PROSPECTS FOR CURRENT YEAR:

The Company is mainly supplying the Cylinders to the Oil marketing Companies and the flow of orders depend upon the order released by them following the government policies. We are hope ful that Company will be getting regular orders from Oil Marketing Companies in view of the government policies to provide LPG connection in the rural India.

FIXED DEPOSIT:

Your Company has not accepted any deposits from the public in the year under review.

DIRECTORS RESPONSIBILITY STATEMENT & OTHER INFORMATION:

Pursuant to the requirements under section 217 (2 AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- 1) That in the preparation of the Accounts for the Financial Year ended 31st March, 2011 the applicable accounting standards has been followed.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 profit of the Company for the year under review.
- 3) That the Directors have taken proper and sufficient care 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.
- 4) That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a going concern basis.

DIRECTORS:

Sh. Raghunandan Jalan was appointed as Additional Director during the year and he held the office till the date of the ensuing Annual General Meeting. The requisite notices together with necessary deposits have been received from a member pursuant to Section 257 of the Companies Act, 1956 proposing the election of Sh. Raghunandan Jalan as Director of the Company.

Smt. Alka Bajoria retires by rotation and being eligible, offer herself for reappointment

AUDITORS:

M/S S. S. Surana & Co. Chartered Accountants Jaipur retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Explanation on Auditors Observations

The observations in the Auditor's report have been dealt with by making relevant notes in the Accounts and following comments /clarifications are given below:-

1. In regard to gratuity and leave encashment, the liability are being paid as and when it becomes payable and there is no default in payment of the same.
2. Regarding non provision of leave encashment the management of the Company encourages its employees to avail the leave entitled to them. The leave encashment is paid to employee as and when they leave the Company and there is no default in payment of same.

COMPLIANCE CERTIFICATE:

Your Company has complied with all applicable provisions of Companies Act, 1956 as applicable to it during the financial year 2010-11 and has maintained necessary records & other Statutory registers as required by the act.

DIVIDEND:

In order to preserve the funds for further diversification the Board of Directors of the Company has decided not to recommend payment of dividend.

EMPLOYEES:

None of the employee has received the remuneration in excess of the limits specified in the section A Statement showing particulars as per section 217 (2A) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Reports of Board of Directors) Rule 1988 has not been appended as.

ACKNOWLEDGEMENT:

The Board of Directors expresses their gratitude and its appreciation to the continued cooperation and support of Company's Banker, Government Departments & Other Agencies. The Board also records its deep appreciation of the creditable services rendered by the Company's employees at all levels.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXPENDITURE:

Information in accordance with Section 217 (1)(e) of the Companies Act 1956, read with Companies (Disclosures of Particulars in the Reports of Board of Directors) Rule 1988 is given in the Annexure forming part of this Report.

For & On behalf of the Board

**Sd/-
Chairman-cum-Managing Director**

**Place: Jaipur
Date : 30.08.2011**

ANNEXURE TO DIRECTOR'S REPORT

FORM 'A'

ANNEXURE TO THE DIRECTORS' REPORT - INFORMATION UNDER SECTION 217 (1)(e) OF THE COMPANIES ACT 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT

A. CONSERVATION OF ENERGY:

Disclosure of particulars with respect to conservation of Energy (to the extent applicable.)

a. Power & Fuel Consumption

	Current Year	Previous Year
1. Electricity:		
a) Purchased:		
Units	13,09,190	18,60,070
Total Amount (Lacs)	65.55	91.59
Rate/Unit	5.01	4.92
b) Own Generation:		
Through Diesel Generator	A very small amount of electric power is Generated through D.G. Set installed for the purpose of Emergency power supply whenever there is power cut from JVVNL to sustain the running plant.	
b. Consumption per Unit		
Of production of LPG		
Cylinder	3.57	3.16

b. Technology Absorption:

The Company has not undertaken Research and Development (R&D) on Technology, Absorption, Adaptation and Innovation during the year.

C. Foreign Exchange Earnings and Outgoing:

1) Earned (Rs/Lacs)	----	12.54
2) Used (Rs./Lacs)	6.38	----

RAJASTHAN CYLINDERS AND CONTAINERS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

The Management present its analysis report covering performance and out look of the Company. The report has been prepared in compliance with corporate governance requirement as laid down in the listing agreement. The management accept responsibility for the integrity and objectivity of the financial statement. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

1. INDUSTRY STRUCTURE AND DEVELOPMENT

The overall performance of the LPG Cylinder's manufacturer has been satisfactory during the financial year 2010-11.

2. OPPORTUNITIES AND THREATS

The Company's project is situated at Jaipur.

The government's policies in regard to provide LPG connection in rural areas provide a good opportunity for growth.

However, the technology upgradation and propose use of alternate material for LPG cylinders alongwith supply of LPG through pipelines are the challenges to the cylinder's manufacturer.

3. PERFORMANCE

The Performance of the company during the year is as under:-

Particulars	2010-11	2009-10
	(Rs. /Lakhs)	
PBDAl	165.28	203.01
PAD	111.72	152.37
PAT	87.65	98.96

4. OUT LOOK

Management of the view that as per present policy of the Central Government their would be continuous flow of the orders and your company will be operating at maximum level.

5. INTERNAL CONTROL SYSTEM

The Company has adequate internal control system to safeguard the company's assets from any loss or damage, to control cost, prevent revenue loss and required financial and accounting controls and to effectively implement the applicable accounting standards.