

RAJASTHAN CYLINDERS & CONTAINERS LIMITED

23rd Annual Report

2002-2003

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

RAJASTHAN CYLINDERS & CONTAINERS LIMITED 23rd Annual Report

BOARD OF DIRECTORS

G.G. BAJORIA
S.G. BAJORIA
B.K. KHAITAN

Managing Director
Director
Director

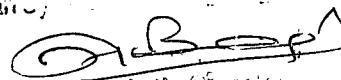
BANKERS

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

AUDITORS

S.S. KOTHARI & CO.

For Rajasthan


Auth. Signature

**FACTORY &
REGISTERED OFFICE**

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

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of Rajasthan Cylinders & Containers Limited will be held at SP-825, Road No.14, V.K.I. Area, Jaipur on Monday the 30th September, 2003 at 10:30 A.M. to transact the following business:-

As Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as on 31.3.2003 and the Profit & Loss Account for the year ended as on that date and the Report of Directors and Auditors thereon.
2. To appoint a director in place of Shri B.K.Khaitan who retires by rotation at the ensuing meeting and being eligible, offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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

The instrument appointing proxy should however be deposited at the share department of the company not less than forty eight hours before the commencement of the meeting.

- (b) The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2003 to 30th September, 2003 (both days inclusive) for the purpose of closure of transfer books.

Registered Office:

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

By Order of the Board

sd/-
GIRDHAR BAJORIA
MANAGING DIRECTOR

Place: Jaipur

Date: 4th September, 2003

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty third Annual Report together with the Audited statement of Accounts of our Company for the year ended 31st March, 2003.

FINANCIAL RESULTS	(Rs. in Lacs)	
	2002-2003	2001-2002
Surplus before Depreciation	13.28	387.49
Less : Depreciation	70.50	95.91
	-----	-----
Net Surplus from Operations	42.78	291.58
Less : Provision for Taxation	3.60	26.00
: Deferred Tax Liability	9.69	73.07
	-----	-----
	29.49	192.51
Add : Surplus from previous year	742.96	550.45
Surplus carried forward	772.45	742.96

CYLINDERS:

Your Directors have to state that the company could not achieve the target levels due to not availability of sufficient orders from the oil companies. Production during the year was 202518 cylinders as 392886 cylinders in previous year. Sales during the year was recorded Rs. 1601.70 lacs as against Rs. 955.53 lacs in the previous year.

VALVE & REGULATORS:

During the year under review regular orders from the oil companies were not received sufficiently as compared to previous year and the company achieved the production level of 383074 valves and 166761 Regulators as compared to 627158 valves and 253949 regulators in previous year.

GAS BOTTLING:

Gas bottling plant has also not recorded substantial capacity utilisation both on account of company's own marketing effort of BAJORIA GAS as well as contract filling for Reliance Petroleum Ltd.

PROSPECTS FOR THE NEXT YEAR:

At present the company is hopeful to get the sufficient orders for all three products namely cylinders, valves and Regulators in view of the demand of these products from the oil companies. Tenders have been floated by the oil companies for placement of orders. The company has participated in these tenders and is extremely hopeful of getting orders from the oil companies. However in view of the excess installed capacity in the country for all three products the company expects the rates to be extremely competitive and the margin will come under severe pressure.

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 requirement 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, 2003 the applicable accounting standards have been followed.

2) That the Directors have selected such accounting policies and applied them consistently and made judgements 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 2003 on a going concern basis.

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

	Year ended 31.3.2003	Year ended 31.3.2002
1. Electricity :		
a) Purchased :		
Units (000)	873.216	1451.610
Total Amount (Lacs)	44.05	68.10
Rate/Unit	5.04	4.69
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 outage from R.S.E.B. side to sustain the running plant.	

b. Consumption per Unit :

Of production	4.31	3.69
LPG Cylinder	202518	392886

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:

	Rs. in Lacs.
Current Year	
1) Foreign Exchange earned	Nil
	Indian Rupees
2) Foreign Exchange used	RS.
Travelling Expenditure	2,68,325
Directors Foreign Travelling exp.	43,175
others	4,927
	for & on behalf of the Board

sd/-

(G.G. BAJORIA)

MANAGING DIRECTOR

Place : Jaipur

Date: The 4th day of September, 2003

AUDITORS:

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

DIRECTOR:

Shri B.K.Khaitan retires by rotation and being eligible offers himself for reappointment.

DIVIDEND:

The Board is of the opinion that the profits for the year should be ploughed back in order to conserve its resources for future expansion. The Board of Directors of the Company has decided not to recommend payment of dividend.

EMPLOYEES:

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 none of the employee has been paid in excess of the limits specified in the section.

ACKNOWLEDGEMENT:

The Board of Directors express their gratitude and its appreciation to the continued cooperation and support of Company's Banker, Financial Institution, Customs & 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/-

(GIRDHAR BAJORIA)
MANAGING DIRECTOR

Place : Jaipur

Date: The 4th day of September, 2003

**AUDITORS' REPORT
TO THE SHAREHOLDERS
OF
RAJASTHAN CYLINDERS & CONTAINERS LIMITED.**

We report that we have audited the Balance Sheet of Rajasthan Cylinders & Containers Limited as at 31st March, 2003 and Profit & Loss Account of the said Company for the year ended 31st March, 2003 both annexed hereto. 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.

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 mis-statements. 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 the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, We enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 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 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 these books.
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) (i) Provision for taxation has been made in accounts as discussed in Note No. 21 of Schedule 15.
(ii) No provision has been made in accounts for Rs 32,16,238/- being fall in value of long term investments (Note No. 22 of Schedule 15)

On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2003 from being appointed as a director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to our comments in para 2(d) above and note no. 14 of Schedule 15 read with other notes thereon, comply with the accounting standards referred to in section 211 3(C) of the Companies Act, 1956 in the manner so required and give a true and fair view:

- i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2003;

- ii) In the case of Profit & Loss Account, of the Profit of Company for the year ended 31st March, 2003. and
- iii) In the case if cash flow statement, of the cash flows for the year ended on that date.

For S.S. KOTHARI & CO.
CHARTERED ACCOUNTANTS

Sd/-
(B.L. VERMA)
Partner

Place: Jaipur
Dated: The 4th day of September 2003



RAJASTHAN CYLINDERS & CONTAINERS LIMITED
ANNEXURE FORMING PART OF THE AUDITORS REPORT

Referred to in paragraph (1) of the report of even date of the Auditors to the members of Rajasthan Cylinders & Containers Limited :

- i) The Company is not maintaining proper records showing full particulars including quantitative details and situations of fixed assets for last few years and current year which are stated to be still under preparation. As informed to us part of the assets have been physically verified by the management in accordance with a phased programme of verification; however such physical verification report was not available for our verification. In our opinion and as per information given to us, the frequency of verification is reasonable. As informed to us, no material discrepancies have been noticed on such verification; however we could not verify such discrepancies in absence of fixed assets registers and physical verification reports.
- ii) None of the fixed assets has been revalued during the year.
- iii) As explained to us, the stocks of finished goods, stores & spare parts and raw materials have been physically verified by the management at reasonable intervals; stocks of stores & spare parts have been physically verified by the management at the year end, which has been considered as reasonable.
- iv) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- v) As explained to us, the discrepancies noticed on physical verification of stocks as compared to available book records, which in our opinion were not material, have been properly dealt with in the books of accounts.
- vi) In our opinion and on the basis of our examination, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) As explained to us, the Company has taken unsecured loans/amounts in current accounts (including interest free) from parties listed in the register maintained under section 301 of the Companies Act, 1956 as explained in note no.18 of Schedule 15. In our opinion terms and conditions of such loans are prima-facie not prejudicial to the interest of the company. The provisions of section 370(1B) of the Companies Act, 1956 are not applicable on or after 31st October 1998.
- viii) The Company has granted loans/advances in current account in the nature of loans to certain companies, relatives of directors etc. listed in the register maintained under section 301 of the Companies Act, 1956. Interest free advances/loans to some companies, relatives of directors etc. which are not in accordance with section 295 of Companies Act, as explained in Note Nos. 14 & 18 of schedule 15