

RAJASTHAN CYLINDERS & CONTAINERS LIMITED

32nd Annual Report

2011-12

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

BOARD OF DIRECTORS

S.G. BAJORIA	Chairman Cum Managing Director
AVINASH BAJORIA	Jt. Managing Director
ALKA BAJORIA	Director
RAGHUNANDAN JALAN	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 32nd Annual General Meeting of Rajasthan Cylinders & Containers Limited will be held at its Registered Office at SP-825, Road No.14, V.K.I. Area, Jaipur on Saturday the 29th September, 2012 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, 2012 and the Report of Directors and Auditors thereon.
2. To appoint a director in place of Sh. Raghunandan Jalan 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.”

By Order of the Board

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

sd/-
(S.G.Bajoria)
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 26.09.2012 to 29.09.2012(both days inclusive) for the purpose of closure of transfer books

Registered Office:

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

Place: Jaipur
Date: 30.08.2012

By Order of the Board

sd/-
(S.G.Bajoria)
Chairman-cum-Managing Director

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 32nd Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2011

	(Rs. in Lacs)	
FINANCIAL RESULTS	2011-12	2010-11
Surplus before Depreciation	271.01	165.28
Less: Depreciation	56.71	53.56
	-----	-----
Net Surplus from Operations	244.30	111.72
Less: Adjustment for Income Tax	77.33	34.91
: Deferred Tax Liability	9.11	(10.84)
	-----	-----
	146.08	87.65
 Add: Surplus from previous year	 1936.09	 1848.44
Surplus carried forward	2082.17	1936.09

During the year the production of Cylinders, Valves and regulators were 3,55,400 nos., 24,97,690 nos. and 1,27,200 nos. against the production 2,23,926 nos., 16,80,381 and 1,72,303 nos. respectively recorded in previous year. Sales during the year were recorded Rs. 6,268.35 lacs as against Rs. 4,119.67 Lacs in the previous year.

During the year 2011-12 company could able to achieve higher production and sales mainly due to release of regular orders by Oil Marketing Companies. However, the margins on Cylinders remain under pressure due to increase in input cost not coupled with corresponding increase in Sales price resulting into lower operational profits.

The Company is taking all steps to control the cost so as to improve the operational profits.

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 hopeful 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, 2012 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, 2012 on going concern basis.

DIRECTORS:

Sh. RaghunandanJalan retires by rotation and being eligible, offer himself 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.
3. Regarding demand of Rs. 2,30,84,886/- by the Competition Commission on India , the company has preferred an appeal with appellate authority against the order of the commission and liability if any arises will be accounted on final disposal of the case.

COMPLIANCE CERTIFICATE:

Your Company has complied with all applicable provisions of Companies Act, 1956 as applicable to it during the financial year 2011-12 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/-
(S.G.Bajoria)
Chairman-cum-Managing Director

Place: Jaipur
Date : 30.08.2012

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 requirements 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 2011-12. However, due to increase in input cost not coupled with corresponding increase in sales prices by oil marketing companies resulted into lower operational profits to the cylinders manufacturers.

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	2011-12 (Rs. /Lakhs)	2010-11 (Rs. /Lakhs)
PBDAI	271.01	165.28
PAD	2 14.30	111.72
PAT	146.08	87.65

4. OUT LOOK

Management expect 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.

6. HUMAN RESOURCES AND INDUSTRIAL RELATION

During the year, various HR measures were taken to make the HR policies up to the required business needs. The Company has strong and dedicated team of employees and they have shown commitment, competence and dedication in all area of business.

7. CAUTION STATEMENT

Statement in this Management Discussion and Analysis Report describing the Company's objectives, estimates etc. may be "forward Looking Statement" within the applicable laws and regulations. Actual results may vary from these expressed or implied; several factors that may affect Company's operations include Raw Material prices, Government Policies and several other factors. The Company takes no responsibility for any consequences of the decision made, based on such statement and holds no obligation to update these in future.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate practices ensure that Company meets its obligation to optimize shareholders value and compliance with the regulation leading to effective central and management of organization. Corporate governance has assumed great significations in India in the recent past in the form of amendment in the Companies Act 1956 and the revised clause 49 of the listing Agreement with Stock Exchange. However most of the provisions of the Corporate Governance code prescribed by the Companies Act and the listing Agreement have been complied with and the balance will be complied with the prescribed period.