

RAJASTHAN CYLINDERS & CONTAINERS LIMITED

33rd Annual Report

2012-13

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

BOARD OF DIRECTORS

S.G. BAJORIA
AVINASH BAJORIA
RAGHUNANDAN JALAN

Chairman Cum Managing Director
Jt. Managing 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 33rd 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 Monday the 30th day of September, 2013 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, 2013 and the Report of Directors and Auditors thereon.
2. To appoint a director in place of Sh. Avinash Bajoria who retires by rotation at the ensuing meeting and being eligible, offers himself 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.”

SpeicalBusiness :

4. Appointment of Sh. Avinash Bajoria as Managing Director

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

“RESOLVED THAT pursuant to Section 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 (including any statutory modifications or re-enactment thereof for the time being in force), and subject to the approval of Banks and the Central Government wherever required, the company hereby accords its approval and consent to the appointment of Sh. Avinash Bajoria as Managing Director of the Company w.e.f. 15.10.2013 for a period of Three (3) years upon the terms and conditions including remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice convening this meeting, with authority to the Board of Directors (which shall deem to include any committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any Statutory modification(s) or re-enactment thereof remuneration and he will not be liable to retire by rotation.

“RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Sh. Avinash Bajoria shall be paid the same remuneration but subject to the limit, if any prescribed under the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT the Board of Directors be and hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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: 28.08.2013

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 25.09.2013 to 30.09.2013(both days inclusive) for the purpose of closure of transfer books

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

Sh. Avinash Bajoria was appointed as Joint Managing Director of the Company at the 28th Annual General Meeting of the members of the Company held on 29th November 2008 , for a period of five years ending 14th October, 2013. He helped the company to consistently make progress in all fields and able to establish it as one of the qualitative manufacturer in the field. In order to continue to have his guidance in future, the Board of Directors of the Company, at their meeting held on 28.08.2013, had approved the appointment of Sh. Avinash Bajoria as Managing Director of the Company for a period of three years commencing from 15th October 2013 after the expiry of existing terms of appointment of Sh. S.G.Bajoria as Chairman cum Managing Director on 14th October 2013.

The information required under Schedule XIII of the Companies Act, 1956 are furnished in the Annexure I which is forming part of Explanatory Statement.

The appointment of Sh. Avinash Bajoria as Managing Director is for a period of three years w.e.f. 15.10.2013 on terms and conditions including remuneration as mentioned in Annexure II which is forming part of Explanatory Statement, have been approved by the Remuneration Committee on 31.07.2013 and the Board on 28.08.2013 subject to approval of members in their next general meeting. The abstract of the terms and conditions of the appointment of Managing Director under Section 302 of the Companies Act, 1956 are furnished in Annexure II.

Pursuant to the provisions of the Companies Act, 1956, the aforesaid appointment and the terms of remuneration are subject to the approval of the members of the Company. The Board therefore, recommends the Special resolution at item No.4 of the accompanying notice for the approval of the members.

Sh. Avinash Bajoria, as it concerns himself is deemed to be concerned and interested in this resolution. Sh.S.G.Bajoria being the relative of Sh. Avinash Bajoria, is also deemed to be concerned and interested in the said resolution.

The resolution set out in the accompanying notice together with this explanation should be treated as abstract u/s 302 of the Companies Act, 1956.

Annexure I**Statement as per proviso (iv) of Part (B) of Part II of Schedule XIII of the Companies Act, 1956**

Sl.No.	Details	Information
I. GENERAL INFORMATION		
1	Nature of Industry	Manufacture of LPG Cylinders, Valves, Regulators and filling of LPG Gas
2	Date or expected date of commencement of commercial production	The Company is in production since last 30 years
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

4	Financial performance based on given indicators	Financial Parameters	Years		
			2010-11	2011-12	2012-13
		(Rs./Lakhs)			
		Turnover	4154.86	6268.35	6674.87
		Net Profit /(Loss)	111.71	214.30	26.60
		Amount of dividend paid	Nil	Nil	Nil
		Rate of dividend paid	Nil	Nil	Nil
5	Export performance and net foreign exchange collaborations	Nil			
6	Foreign investments or collaborators, if any	Nil			

II. INFORMATION ABOUT THE APPOINTEE

1	Background details	Sh. AvinashBajoria is a graduate and having two decades of rich experience in the Business. He is having good rapport with various departments and other manufacturer in similar type of industry.								
2	Past Remuneration									
		Organization	Period	Total Amount						
		Rajasthan Cylinders & Containers Ltd.	1.4.2012 to 31.03.13	19,50,000/-						
			1.4.2011 to 31.03.12	19,00,000/-						
1.4.2010 to 31.03.11	12,25,000/-									
3	Recognition or awards	Nil								
4	Job profile and his suitability	He is looking after day to day operations of the Company, Coordination with various outside agencies, management of funds etc. He is associated with this company since last 10 years and has vast experience in the working of the Company.								
5	Remuneration proposed	Proposed remuneration as approved by the Remuneration Committee on31.07.2013& Board of Directors in their meeting held on 28.08.2013 subject to approval as may be necessary from Central Government and others. Period 15.10.2013 to 14.10.2016 <table><tr><td>Item Description</td><td>Rs./PM</td><td>Rs./PA</td></tr><tr><td>Basic Salary</td><td>50,000</td><td>6,00,000</td></tr></table> Plus other perquisites and benefits as given in Annexure B			Item Description	Rs./PM	Rs./PA	Basic Salary	50,000	6,00,000
Item Description	Rs./PM	Rs./PA								
Basic Salary	50,000	6,00,000								
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of origin)	His remuneration is either at par or less then the remuneration drawn by persons of similar qualification and experience in the industry.								
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Sh. S. G. Bajoria Director of the Company is related with Sh. AninashBajoria.								

III. OTHER INFORMATION

1	Reasons of loss or inadequate profits	The major reasons for inadequate profits are :- 1. Increase in cost of various inputs. 2. Invariable orders from the oil marketing Companies. 3. Non revision of prices by the oil marketing Companies corresponding to increase in input costs.
2	Steps taken or proposed to be taken for improvement	The company is continuously taking up the matter with its customers for revision in the prices so as to offset the increased input costs. Rationalising the production facilities to reduce the cost. Control and reduction of controllable expenses.
3	Expected increase in productivity and profits in measurable terms.	Company mainly sell its product to the Oil Marketing Companies. The consistent flow of the orders from them with revision in the prices corresponding to increase in input cost could result in the better financial performance of the Company.

IV DISCLOSURES:

1.	The Shareholders of the company shall be informed of the remuneration package of the managerial person.	Yes. The same is being included in the Notice of their meeting	
2.	<p>The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report:-</p> <p>i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc. of all the directors.</p> <p>ii. Details of fixed components and performance linked incentives along with the performance criteria.</p> <p>iii. Service contracts, notice, period, severance fees</p> <p>iv. Stock option details , if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.</p>	Yes, The same will be included	
3.	Prior approval of Central Government (Department of Corporate Affairs , New Delhi to be Obtained	Not Applicable	Not Applicable

Annexure II

Terms & Conditions for appointment of Sh. Avinash Bajoria as Managing Director

A. Basic Salary

Basic Salary Rs. 50,000 per month with an authority to the Board to increase from time to time in accordance with and within the limits specified in Schedule XIII of the Act as amended from time to time.

B. Perquisites

In addition to the Salary, he will be allowed perquisites as specified below :-

- a. Rent free furnished accommodation or House Rent Allowance in lieu thereof subject to a maximum of 50% of the Basic Salary.
- b. Reimbursement of Medical Expenses subject to a limit of one month basic Salary per annum. Insurance premium on policy for medical and hospitalization for self and family which shall not exceed Rs. 25000/-.
- c. Car with Driver for use on Company's business.
- d. Provision for telecommunication facilities.
- e. Personal Accident Insurance, the premium of which shall not exceed Rs. 15,000/- per annum.
- f. Leave travel concession for self & family once in a year to and fro any place in India subject to the condition that only actual fares will be allowed.
- g. Reimbursement of actual expenses incurred for gas, electricity, society charges and maintenance of residential premises.
- h. Following perquisites which shall not be included in the computation of the ceiling on remuneration specified above:

- i. Gratuity on the basis of 15 days salary for each year completed service, as per rules of the company.
- ii Leave and encashment of leave at the end of the tenure in accordance with the rules of the Company.
- iii Contribution to Provident Fund and Superannuation fund as per rules of the Company.

Other Term

1. He shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the company.
2. He shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.

By Order of the Board

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

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

Place : Jaipur
Date : 28.08.2013

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 33rd Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2013

(Rs. in Lacs)		
FINANCIAL RESULTS	2012-13	2011-12
Surplus before Depreciation	89.65	271.01
Less: Depreciation	63.05	56.71
	-----	-----
Net Surplus from Operations	26.60	214.30
Less: Adjustment for Income Tax	13.24	77.33
: Deferred Tax Liability	(2.30)	9.11
	-----	-----
	15.66	146.08
Add: Surplus from previous year	2,082.17	1,936.09
Surplus carried forward	2,097.83	2,082.17

During the year the production of Cylinders, Valves and regulators were 3,07,405 nos., 31,23,391 nos. and 1,92,460 nos. against the production 3,55,400 nos., 24,97,690 nos. and 1,27,200 nos. respectively recorded in previous year. Sales during the year were recorded Rs.6,674.87 lacs as against Rs.6,268.35 lacs in the previous year. The production and sales of Cylinders was lower mainly due to lower orders from Oil Marketing Companies. Further the margins on Cylinders also remain under pressure due to increase in input cost not coupled with corresponding increase in Sales price. Company is taking all necessary steps to control the cost so as there should not be operational losses in this segment.

OTHER ACTIVITY:

Intrading activities company has sold the Marble during the year.

PROSPECTS FOR CURRENT YEAR:

The LPG Cylinder manufacturing industries are passing through a very bad phase in view of non-revision of the prices of cylinders by the oil marketing companies, in spite of increase in input cost over last couple of years. Further with the continuous fall in value of Indian Rupee in comparison to other foreign currency will further result into increase in input cost and that will ultimately affect the working of the Company. The monopoly situation being enjoyed by the oil marketing companies, hurting the Cylinder manufacturing units as the cylinder Manufacturers are not only depend upon them for price revision but also depend for release of orders. Time to time the matter has been taken with the oil marketing companies for release of orders as well as increase in prices but till date there is no positive response from them. We are hopeful that in remaining period of current financial year the company will not only get regular orders from Oil Marketing Companies but the prices of cylinders would also be revised upward so that increase in input cost could be recovered and company should have marginal profit from this segment.

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, 2013 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, 2013 on going concern basis.

DIRECTORS:

Smt. Alka Bajoria has resigned from the Board w.e.f. 05.08.2013. The Board of Directors places on record its appreciation for the contribution made by her to the Company during her association as director of the Company.

Sh. Avinash Bajoria retire by rotation and being eligible, offer himself for reappointment.

The Board of Directors in their meeting has also decided to re-designate Sh. S.G.Bajoria Chairman cum Managing Director as Chairman and Sh. Avinash Bajoria Joint Managing Director as as Managing Director w.e.f 15.10.2013.

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 liabilities are being paid as and when it becomes payable and thereis 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.

COST AUDITOR

As per the Order of the Central Government and in pursuance of Section 233 B of the Companies Act 1956 the Cost records of the Company need to be audited. The Board of

Director has appointed Sh. R.K.Bhandari Cost Accountants as the Cost Auditor for conducting audit of the Company's cost records for the financial year 2012-13 and 2013-14. Sh. R.K.Bhandari, Cost Accountants has confirmed that this appointment is within the limits of Section 224(1B).

COMPLIANCE CERTIFICATE:

Your Company has complied with all applicable provisions of Companies Act, 1956 as applicable to it during the financial year 2012-13 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: 28.08.2013