

ANNUAL REPORT

1997 - '98

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓		SHI	✓
YE	✓			✓

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RAJESWARI GRAPHICS LIMITED



RAJESWARI GRAPHICS LIMITED

DIRECTORS

Shri G. RAMAMURTHY, *Chairman & Managing Director*

Shri G. BABU, *Director (Technical)*

Shri G. KUMAR, *Director (Technical)*

Shri G. KARTHIKEYAN, *Director (Technical)*

AUDITORS

M/s B. THIAGARAJAN & CO

Chartered Accountants

BANKER

STATE BANK OF INDIA,

Siruthozil Branch, Chennai - 34.

REGD OFFICE

36, Arcot Road, Kodambakkam, Chennai - 600 024.

WORKS

54, Mugalivakkam, Porur, Chennai - 600 116.

156/1, Vannier Street, Choolaimedu, Chennai - 600 094.

GRAPHIC DIVISION

A 16, Basement, Gemini Parsn Complex, Chennai - 600 006.

RAJESWARI GRAPHICS LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN that the FIFTH ANNUAL GENERAL MEETING of the Share holders of the Company will be held on Friday, the 25th September, 1998 at 10.00 A.M. at NARADHA GANA SABHA, (Mini Hall), 254, TTK Road, CHENNAI 600 018. to transact the following business:-

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, the Profit and Loss account for the year ended 31st March 1998, the Balance sheet as at that date and the Auditor's Report there on.
2. To elect a director in place of Mr. G. Babu who retires by rotation and being eligible offers himself for reappointment.
3. The retiring Auditors. M/s B. THIAGARAJAN & Co Chartered Accountants, Chennai retires from the Conclusion of this fifth Annual General Meeting and being eligible offers themselves for reappointment.

NOTE :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The Proxy form in order to be effective must be duly Completed, stamped and lodged with the Registered office of the Company not less than forty eight hours before the commencement of the meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 18th September, 1998 to Friday the 25th September, 1998 (both days inclusive).
3. Members/Proxy holders must bring the attendance slip duly signed to the meeting and hand it over at the entrance. Xerox copy/torn attendance slips will not be accepted at the entrance of the meeting hall.
4. Members are requested to quote their registered folio number in all Correspondence with the Company and notify the Company immediately of change, if any in the Registered Address and/or of their mandatees.
5. Members who are holding shares in more than one folio are requested to intimate to the Registered office the details of all their folio numbers for consolidation into a single folio.
6. All documents referred in the above Notice are open for inspection at the Registered Office of the Company between 2 P.M. and 4 P.M. on any working day.
7. Members are requested to bring their Copies of their Annual Report to the meeting.

By Order of the Board

Place : Chennai

Date : 29th August, 1998

G. RAMAMURTHY

CHAIRMAN & MANAGING DIRECTOR

RAJESWARI GRAPHICS LIMITED**DIRECTORS' REPORT**

Your Directors have great pleasure in presenting to you the Fifth Annual Report and Audited Accounts of the Company for the year ended 31st March 1998.

SUMMARY OF FINANCIAL RESULTS*(RUPEES IN LACS)*

	for the year ended 31.03.98	for the year ended 31.03.97
INCOME		
Sales & Labour charges	130.63	141.46
Other income	1.71	1.75
TOTAL	<u>132.34</u>	<u>143.21</u>
EXPENDITURE		
Manufacturing Expenses	68.60	71.25
Administrative & Selling Exp.	61.30	63.48
Finance Charges	16.84	18.84
TOTAL	<u>146.74</u>	<u>153.57</u>
Profit/(Loss) before depn.	(14.40)	(10.36)
Depreciation	23.64	23.81
Profit/(Loss) after depn.	(38.04)	(34.17)
Prior period expenses	-	2.13
Balance profit /(Loss)	(38.04)	(36.30)
Balance brought forward from last year	(51.12)	(14.82)
Balance carried to Balance Sheet	(89.16)	(51.12)

OPERATIONS:

The Company has made turnover of Rs. 130.63 Lacs and is confident of improving the same during the current year. Due to the illegal strike of its workers at the offset division, the company has declared a lock-out of that division with effect from 5th May 1998. Necessary steps are being initiated to lift the lock-out at the earliest.

DIVIDEND:

As the Company has incurred net loss during 1997-98, your Directors are not recommending any Dividend for the year 1997-98.

DIRECTOR:

Mr. G. Babu is due to retire by rotation and being eligible offers himself for re-appointment.

PUBLIC DEPOSITS:

During the year under review, the Company has neither invited nor received any deposits from the public.

AUDITORS :

M/s B. THIAGARAJAN & Co., Chartered Accountants, Chennai retire at the ensuing Annual General Meeting and are eligible for re-appointment. You are requested to appoint Auditors and fix their remuneration.

RAJESWARI GRAPHICS LIMITED

FINANCIAL YEAR 1997 - '98
 PROJECTED PROFITABILITY STATEMENT Vs. ACTUAL PERFORMANCE STATEMENT
 (Rs. in lacs)

Particulars	Projected Profitability	Actual performance	Variation	
			Rs. in lacs	%
Net sales & other income	1083.92	132.34	951.58	87.79
Cost of production	595.43	68.60	526.83	88.48
Gross Profit	488.49	63.74	424.75	86.95
NBIDT	445.82	26.11	419.71	94.14
Lease rentals & Fin chgs.	25.54	16.84	8.70	34.06
Depreciation	31.52	23.67	7.85	24.90
NPBT	388.76	(14.40)	403.16	103.70
Tax	122.86	Nil	Nil	N.A.
Net Profit after tax	265.90	(14.40)	280.30	105.42

REASONS FOR VARIATION:

The Company has made projections based on the then existing capital market operations which will assure good & sizeable orders for printing of public issue application forms, prospectus and other related publicity materials. As there has been depressed primary market operations, the expected orders were not available for the industry as a whole in general and moreover there has been reduction in the size of advertising and publicity budget of various corporate clients of the Company due to the overall credit squeeze and tight money policy in the economy which has severely affected our Company's projections. This is only temporary in nature and as soon as the current dull phase in the Indian Economy improves, the company can perform well during the current year (1998-99).

FOREIGN EXCHANGE EARNINGS & OUTGO IN 1997-98

The Company has incurred expenditure in foreign exchange of Rs.54,062/-towards travelling expenses (previous year : Rs.2,18,366/-)

Foreign Exchange Earnings: Rs.4,68,782/- (Previous year : Rs.27,00,730/-).

PARTICULARS OF EMPLOYEES:

The Statement of Particulars of employees required in terms of Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder has not been appended as there was no employee to be covered in such statement for the year.

NOTES ON ACCOUNTS:

The Directors feel that the Notes on Accounts are self-explanatory and do not require further explanation except the following :

RAJESWARI GRAPHICS LIMITED

1. Regarding Item No.4 in the Notes of Accounts, we have to report that the matter relating to getting confirmation of balances from debtors and creditors etc., are being pursued and the same will be obtained.
2. Regarding item No.(xiv) of the annexure to the Auditors' report, the Company will take necessary steps to implement the internal audit system during the current year.
3. Regarding item Nos.(xvi) & (xvii) of the annexure to the Auditors' report, the Company will take necessary steps to remit the same during the current year.

ACKNOWLEDGEMENTS:

Your Directors wish to thank the banks, customers, and place on record their appreciation of the good work done by all the employees of the Company.

By Order of the Board

Place : Chennai
Date : 29th August, 1998

G. RAMAMURTHY
CHAIRMAN & MANAGING DIRECTOR

RAJESWARI GRAPHICS LIMITED**Auditors' Report**

To

The members of
RAJESWARI GRAPHICS LIMITED.
 Chennai.

We have audited the attached Balance Sheet of RAJESWARI GRAPHICS LIMITED AS AT 31st March, 1998 and also the Profit and Loss account of the Company for the year ended on that date annexed thereto, we report that -

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 annex hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
2. Further to our Comments in the Annexure referred to in paragraph (1) above,
 - [a] we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our 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 the books;
 - [c] the Balance Sheet and the Profit and Loss Account are in agreement with the books of account;
 - [d] in our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes on accounts, give the information required by 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, 1998 and
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.

for **B. THIAGARAJAN & Co.,**
 Chartered Accountants

Place : Chennai
 Date : 29th August 1998

K. VISWANATHAN
 Partner.

RAJESWARI GRAPHICS LIMITED**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph (1) of our report of even date)

- i) The company has maintained records showing the details of fixed assets. In our opinion, the records need to be updated to contain the details of situation, quantities etc. We have been informed that a major portion of fixed assets has been physically verified by the management and no material discrepancies have been noticed on such verification as compared with the financial records of the company.
- ii) None of the fixed assets have been revalued during the year
- iii) According to the information and explanations given to us, stock records have not been maintained by the company. However, the company has a practice of physically verifying the year end stocks, valuing the same to be incorporated in the books.
- iv) In our opinion, the procedures adopted in verifying the stock are reasonable.
- v) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as compared with preceding year.
- vi) According to the information and explanations given to us the company has not taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We have been informed that there are no companies under the same management as defined under section 370 (1B) of the said Act.
- vii) According to the information and explanations given to us the company has not granted loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- viii) The parties to whom the company has given loans or advances in the nature of loans have not been regular in repayment of principal and interest. In a few cases, the company has taken reasonable steps for the recovery of the loans and interest.
- ix) In our opinion, internal control procedure is not commensurate with the size of the company and nature of its business for the purchase of stores, raw materials including components, plant & machinery, equipment and other assets and for the sale of goods.
- x) In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000 or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services where such market prices are available or the prices at which transactions for similar goods or materials have been made with other parties.
- xi) According to the information and explanations given to us, no unserviceable or damaged stores, raw materials or finished goods are determined.