

# 15<sup>th</sup> ANNUAL REPORT

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**RISHI PACKERS LIMITED**

**RISHI PACKERS LTD.**

*15th Annual Report 1998-99*

**Board of Director**

Mr. H.B. Patel  
– *Chairman & Managing Director*  
Dr. B.V. Bhoota  
Mr. M.N. Shah  
Mr. B.P. Patel  
Mr. K.K. Kapadia  
Mr. K.B. Patel  
Mr. A.N. Patel

**Financial Advisor**

Mr. V. Hariharasubramanian

**Auditors**

Alladi Krishnan & Kumar  
502, Rajnigandha Apartments,  
Prof. V.S. Agashe Marg,  
Off Bhawani Shankar Road,  
Dadar (West), Mumbai - 400 028.

**Bankers**

Canara Bank  
Tamarind Lane Branch,  
Calcut House, Fort,  
Mumbai - 400 023.

**Registered Office**

612, Veena Killedar Industrial Estate,  
10-14, Pais Street, Byculla (West),  
Mumbai - 400 011.

**Factory**

Survey No. 381, Causeway Road,  
Village Kachigam, Taluka Daman,  
Union Territory of Daman & Diu.  
  
Plot No. 277/3/3 Dadra Demni Road,  
Union Territory of Dadra & Nagar Haveli.

**Registrars & Transfer Agents**

M/s. Bhandari Data Processors,  
26, 7th Floor, Tardeo,  
A.C. Market, Mumbai - 400 034.

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NISHI PACKERS LTD.

**NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of the Company will be held at Indian Merchant's Chambers, Kilachand Conference Room, 2nd floor, IMC Marg, Churchgate, Mumbai - 400 020 on Tuesday, 28th September, 1999 at 11.30 a.m. to transact the following business :

**As Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1999 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. A.N. Patel who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Dr. B.V. Bhoota who retires by rotation and being eligible, offer himself for re-appointment.
4. To declare a Dividend.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board

**V.D. GORAY**  
Secretary

**Registered Office :**

612, Veena Killedar Industrial Estate,  
10-14, Pais Street, Byculla (West),  
Mumbai - 400 011.

Place : Mumbai

Date : 18th June, 1999.

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**NOTES :**

- A. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- B. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 1999 to 28th September, 1999 (both days inclusive).
- C. Members are requested to notify change of address, if any, to the Registrars and Transfer agents, M/s. Bhandari Data Processors, 7th floor, Room No. 26, Tardeo A.C. Market, Tardeo, Mumbai - 400 034.
- D. The Company has deposited Unclaimed Dividend for the year 1994-95 amounting to Rs.11,500.75 with the Central Government. Any person who has not received his dividend for the year 1994-95 may claim the same from the Registrar of Companies, Maharashtra.

**DIRECTORS' REPORT**

We present herewith Annual Report and Accounts for the year ended 31st March, 1999.

**FINANCIAL RESULTS**

	Rs. in Lacs	
	1999	1998
Profit before Financial Charges & Depreciation	307.53	241.05
Less : Financial Charges	151.69	85.34
Depreciation	85.34	53.54
Profit Before Tax	75.56	102.17
Less : Provision for Tax	Nil	Nil
Profit After Tax	75.56	102.17

**PERFORMANCE**

Turnover for the year is Rs.2038 lacs as compared to Rs.1966 lacs for the previous year. Profit after Tax for the year at Rs.75.56 lacs is lower by Rs.26.61 lacs as compared to previous year. During the year the company commissioned the Raschel bag project costing Rs.381 lacs. This has resulted in substantially higher interest and depreciation cost. The product could not be exported at the prices and volumes which were expected. This resulted in low capacity utilisation as well as lower realisation. During the year several new products were introduced both for the domestic as well as for the export market.

The company also commenced a new woven sacks project at Dadra in the Union Territory of Dadra and Nager Haveli with a capacity of 750 MT per annum. Your company's working can be considered satisfactory considering the prevailing recessionary conditions and heavy competition.

**CONTRIBUTION TO EXCHEQUER**

The Company has paid Rs. 470.11 lacs by way of Customs Duty, Excise Duty, and Income Tax.

**EXPORTS**

During the year under report your company's exports amounted to Rs.130.89 lacs. The exports are likely to go up during the current year.

**CURRENT YEAR**

Turnover in the first two months of the current year is Rs.384.68 lacs as against Rs.330.67 lacs in the same period of previous year. The Raschel bags/fabrics should see a substantial rise in turnover in the current year. The Dadra plant is also reaching high capacity utilisation. We expect to have a growth of over 25% in turn over in the current year.

**PRIVATE PLACEMENT**

During the year under report, the Company issued 600000 Equity Shares of Rs.10/- each at a premium of Rs.5/- per share to promotor group on Private Placement basis to raise funds to meet the working capital requirements. The shares were listed on Bombay Stock Exchange on 11th February, 1999.

**DIVIDEND**

Your directors are pleased to recommend a Dividend of 12.50 % on paid up Equity Capital for the year ended 31st March, 1999.

**INSURANCE**

All the properties of the Company have been adequately insured against fire, riot, earthquake, and various other risks.

**FIXED DEPOSITS**

During the period under report, the Company has accepted deposits amounting to Rs.0.30 lacs. There are no unclaimed or unpaid deposits. Total amount of deposits outstanding as on 31st March, 1999 amounts to Rs.18.94 lacs.

**DIRECTORS**

Mr. A.N. Patel and Dr. B.V. Bhoota retire by rotation and being eligible, offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEES**

During the year under Report, Mr. H.B. Patel has drawn remuneration in excess of Rs.6,00,000/- per annum.

Age	Qualification/Experience (Year)	Date of Employment	Designation/Nature of Duties	Gross Remuneration	Last Employment held
42	B.Com., F.C.A., A.I.C.W.A. (16 years)	7.2.1984	Chairman and Managing Director	Rs. 8.33 Lacs	Nil

**Y2K COMPLIANCE**

The Company has taken necessary precautions to overcome the Y2K problem. The expenditure to ensure to Y2K compliance is not expected to have any material financial impact.

**THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

The information required to be disclosed is set out in Annexure.

**AUDITORS**

M/s. Alladi Krishnan & Kumar, Chartered Accountants, Statutory Auditors of the Company retire and offer themselves for re-appointment.

The Company has obtained the requisite certificate required under Section 224 of the Companies Act, 1956 to the effect that their re-appointment, if made, will be in conformity with limits specified in the said Section.

**APPRECIATIONS**

The Directors place on record their appreciation of the efficient and loyal services rendered by the staff and workmen as also help and guidance received by the Company from the financial institutions and Banks.

For and On behalf of the Board

H.B. PATEL  
Chairman

Place : Mumbai

Date : 18th June, 1999.

**ANNEXURE****THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS RULES, 1988.)****A) CONSERVATION OF ENERGY**

The cost of consumption of energy by the Company is very small compared to total expenditure. The Company is therefore not required as to make any additional investment to reduce energy consumption. The Form 'A' prescribed under the rules is not applicable to the Company since the Company does not fall in the industries, specified in Schedule to the Rules.

**B) TECHNOLOGY ABSORPTION****FORM B****1. Specific areas in which R & D carried out by the Company :**

The Company has been constantly modifying and improving the Woven Sacks to suit the requirement of various Industries.

**2. Benefits derived as a result of the above R & D :**

The Company has improved its products considerably and they have been well received by the Market.

**3. Future Plan of Action :**

The Company will continue its efforts to improve the quality of bags.

**4. Expenditure on R & D :**

No amount has been earmarked specifically for R & D. However, improving the quality and modification of bags to suit the requirements of various industries will be a continuous process.

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION**

The Company has not imported any Technology.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The earning in foreign exchange on export of bags amount to Rs.130.89 lacs. The outgo of foreign exchange on import of raw material amounted to Rs.171.25 lacs and on foreign travel Rs.2.19 lacs.

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of RISHI PACKERS LTD. as at 31st March, 1999 and also the annexed Profit and Loss Account of the company for the year ended on that date and 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 enclose in the Annexure 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 and above, we state that :
  - (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 accounts as required by law have been kept by the company so far as appears from our examination of such books.
  - (c) The Balance Sheet and Profit and Loss Account referred to in this report 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 Accounting Policies and the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March 1999 and,
    - (ii) in so far as it relates to the Profit and Loss Account, of the Profit of the company for the year ended on that date.

For **ALLADI KRISHNAN & KUMAR**  
**CHARTERED ACCOUNTANTS**

**N. KRISHNAN**  
*Partner*

Place : Mumbai

Dated : 18th June, 1999.

**AUDITORS' REPORT TO THE MEMBERS****ANNEXURE**

(REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Though all the assets have not been physically verified by the management during the year, there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noted on verification.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, spare parts, and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. The procedures of physical verification followed by the management are in our opinion reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between physical stocks and book record were not material.
6. On the basis of our examination of stock records, we are of the opinion that 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.
7. The company has not taken any loans secured or unsecured from Companies or other parties listed in the registers maintained under Section 301 and 370 (1-C) of the Companies Act, 1956.
8. The company has not given loans to parties listed in the registers maintained under Section 301 of the Companies Act, 1956.
9. In respect of advances and loans to employees, the principal amounts are generally being recovered as stipulated and payment of interest where applicable is also regular.

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## BISHI PACKERS LTD.

10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business, with regard to purchase of stores, raw materials including components, plant & machinery, equipment and other assets and with regard to sale of goods.
11. According to the information and explanations given to us, there were no transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000 or more.
12. As explained to us, the company has regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss on the items so determined.
13. In our opinion and according to the explanations given to us, the company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion reasonable records have been maintained by the company for the sale and disposal of scrap. The company does not generate any by-products.
15. In our opinion, the company has an adequate internal audit system which is commensurate with the size of the company and the nature of its business.
16. The Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
17. The company is regular in depositing provident fund dues with the appropriate authorities. We have further been informed that the provisions of the ESIC Act are not applicable to the company.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 1999 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company within the meaning of clause (o) of sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In respect of trading activities, we are informed that the company does not have damaged goods lying with it at the end of the year.

For ALLADI KRISHNAN & KUMAR  
CHARTERED ACCOUNTANTS

N. KRISHNAN  
Partner

Place : Mumbai

Dated : 18th June, 1999.