

Twenty First Annual Report 2004-2005



RISHI PACKERS LIMITED



RISHI PACKERS LIMITED

Our Mission

**‘To provide high quality, cost effective
Protection solutions through use of
PE Knitted Fabrics/Protection Nets/Shade
fabrics’**

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Our goal

**“To become one of the top five global
Manufacturers of PE Knitted fabrics/
Shade Nets”**

KrishiNetTM
IMPROVE AGRO PRODUCTIVITY

BOARD OF DIRECTORS

Mr. Harshad B. Patel
Chairman & Managing Director

Mr. Kiran B. Patel
Mr. Abhay V. Paranjpe
Mr. Pranav J. Patel
Mr. Arvind N. Nopany

AUDITORS

Alladi Krishnan & Kumar
B/4, Mangalya,
93, B. G. Road,
Mahim, Mumbai - 400 016.

BANKERS

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

REGISTRARS AND TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.,
19, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri (E),
Mumbai - 400 059.

REGISTERED OFFICE

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

WORKS

Survey No. 381, Causeway Road,
Village Kachigam, Taluka Daman,
Union Territory of Daman & Diu.

Plot No. 277/3/3,
Dadra-Demni Road,
U.T. of Dadra & Nagar Haveli.


RISHI PACKERS LIMITED

NOTICE

Notice is hereby given that the 21st Annual General Meeting of Rishi Packers Limited will be held on Friday, the 23rd day of September, 2005 at 1 p.m. at Indian Merchants' Chamber, Killachand Conference Room, 2nd floor, IMC Marg, Churchgate, Mumbai 400 020 to transact the following business.

As Ordinary Business

- 1 To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2005 and the Profit and 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. Abhay Paranjpe who retires by rotation and being eligible offers himself for re-appointment.
- 3 To appoint Auditors and to fix their remuneration.

As Special Business

- 4 To consider and if thought fit, to pass with or without modifications the following Resolution as a Special Resolution.

Resolved that pursuant to the Provisions of sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the Re-appointment of Mr. Harshad B. Patel as Managing Director of the Company, for a period of Three Years from 1st Day of April 2005, on the terms and conditions set out in the Draft of the Agreement to be entered into between the Company and Mr. Harshad B. Patel, placed before this Meeting and initialed by the Chairman for identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors of the Company or a Committee thereof, to vary or alter the terms and conditions of his appointment and / or Agreement in such manner as may be agreed to between the Board and Mr Harshad B. Patel.

Resolved Further that in the event of loss or inadequacy of profits Mr. Harshad Patel be paid remuneration by way of salary, allowances and perquisites as Minimum Remuneration.

Resolved further that the Secretary of the Company is authorized to do all acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.

Registered Office :-

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

Dated : 7th June, 2005

By Order of the Board
Vasant Goray
Company Secretary

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.
- B Register of Members and Share Transfer Books of the Company will remain closed from 20.9.2005 to 23.9.2005 (both days inclusive).
- C Relative explanatory statement pursuant to section 173 of the Companies Act 1956 in respect of special business is annexed hereto.
- D Reappointment of Director
Mr. Abhay Paranjpe, aged 45 years was appointed as a Director in the Annual General Meeting held on 30th September 2002. He retires by rotation and is eligible for reappointment. Mr. Abhay Paranjpe is a Chartered Accountant having over 19 years business experience. He is Whole Time Director in Rishi Laser Cutting Ltd.
- E Pursuant to section 205 A of the Companies Act, 1956, Dividend for the financial year 1997-98, which remains unclaimed will be transferred to the Investor Education and Protection Account of the Central Govt. Members who have not claimed their Dividend in respect of the said financial year are requested to make their claim to share department at the Registered Office of the Company before 30.9.2005

**EXPLANATORY STATEMENT UNDER SECTION 173 OF
THE COMPANIES ACT 1956**

Item No.4

Mr. Harshad B. Patel has been acting as the Managing Director of the Company since 1986. He was re-appointed as Managing Director for a period of three years from 1st October, 2002 in the Annual General Meeting held on 30th September, 2002. Mr. Harshad Patel is a qualified Chartered and Cost Accountant. He has over 21 years business experience.

The Remuneration Committee in their Meeting held on 3rd June, 2005 approved the Remuneration payable to Mr. Harshad B. Patel.

It was decided by the Board in their Meeting held on 7th June, 2005 to re-appoint him as Managing Director for a further period of three years with effect from 1st April 2005 and to remunerate him appropriately.

During the last four years the Company had suffered losses mainly on account of unhealthy competition, fluctuation in raw material prices and heavy financial burden. The Company's business has picked up and improvement is reflected in the Annual Results. During the current year the Company is expected to show better results. The remuneration proposed by the Board is very reasonable considering his qualification and experience and the remuneration drawn by managerial persons of other Companies of similar size and nature.

The terms and conditions of his appointment are set out in the draft agreement to be entered into between the Company and the Managing Director. The draft Agreement relating to his appointment and remuneration contains interalia, the following terms and conditions

1	Period	Three years from 1st April 2005
2	Remuneration	
	Salary	Rs.70000 - 5000 -80000
	Commission	Not exceeding 1% of Net Profit


RISHI PACKERS LIMITED

Perquisites	Perquisites will be limited to an amount Equal to Salary
Housing	House Rent Allowance equal to 50% of Salary or In case the accommodation is provided by the Company, 10% of the salary shall be deducted by the Company.
Reimbursement of Expenses on Gas, Electricity and Water	Not Exceeding 10% of Salary (valued as per Income Tax Rules)
Medical Reimbursement	Reimbursement of expenses incurred for self and Family — not exceeding one month's salary in a year or three month's salary over a period of three years.
Leave Travel Concession	Plane fare for self and family once in a year to any place within the country.
Personal Accident Insurance	Personal Accident Insurance for an amount the annual premium of which does not exceed Rs.4000.
Provident Fund	a) Company's contribution towards PF — not to Exceed 12% of salary b) Companies contribution towards superannuation fund as per the rules of the Company
Gratuity	One month's salary for each completed year of Service
Car	Free use of Company maintained car with chauffeur
Telephone	Free mobile phone and basic telephone facility at home

Notes

Family means - Self, spouse and dependent children.

Contribution towards PF, Gratuity and Superauation fund will not be included in the computation of ceiling on perquisites to the extent these either singly or taken together are not taxable under the Income Tax Act.

Use of car for Company's business and telephone at residence will not be considered as perquisites. The Special Resolution contained in Item No. 4 of the Notice seeks to approve the appointment of Managing Director on remuneration and terms set out in the draft of the Agreement between the company and the Managing Director, a copy of which will be available for inspection at the registered office of the Company on any working day up to the date of Annual General Meeting between 11 00 a.m and 1.00 p.m.

The above shall be treated as abstract of the draft agreement between the company and the Managing Director pursuant to the provisions of section 302 of the Companies Act 1956.

In case of absence or in adequacy of profits in any financial year, the remuneration stated above except commission will be paid as minimum remuneration to the Managing Director.

Registered Office :-

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By Order of the Board
Vasant Goray
Company Secretary

Dated : 7th June, 2005

DIRECTOR'S REPORT**FINANCIAL RESULTS :**

	RS. LACS		
	2004-05	2003-04	% Increase
Total Income	2805.03	2560.96	9
Earning before Interest & Depreciation	310.95	158.35	96
Interest	127.09	160.98	
Depreciation	140.32	153.01	
Profit before Tax	43.54	(155.64)	

OPERATING RESULTS

The year 2004-05 was an important turning point for the Company. Though the total income went up by 9% to Rs.28.05 crores from Rs.25.61 crores in the previous year, the EBITD was up by 96%. Your company has earned a net profit of Rs.43.54 lacs as against a loss of Rs.155.64 lacs in the previous year.

This was a result of a number of factors like product rationalisation, higher sales of knitted fabrics and reduction in costs. Interest cost has also come down substantially due to repayment of loans. The Company's exports amounted to Rs.366 Lacs as against Rs.265 lacs in the previous year. The conscious effort by the management with support from all quarters has been responsible for improved results inspite of severe financial constraints.

DIVIDEND

In view of the inadequacy of profits the Directors regret their inability to declare dividend.

EXPANSION AND MODERNISATION

The Company increased its capacity of PE Knitted fabrics with the installation of additional knitting machines at it's Daman works. The extrusion capacity of the Company was also increased by modernising two extruders of the Company. The process of modernisation was held up because of severe financial constraints in the past. The Company has turned the corner and is expected to do much better in the coming years. The Company is going in for modernisation programme which will help to bring down cost substantially, besides improving the quality of its products.

The Company is also going for substantial expansion in its knitted fabrics division.

CURRENT YEAR

Sales during first two months of the current year are at Rs.566 lacs as compared to Rs.436 lacs in the same period last year.

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 from public amounting to Rs.11.10 lacs. The total deposits outstanding at the end of the year amounts to Rs. 57.21 lacs.

INCREASE IN SHARE CAPITAL

During the year 3,42,000 Equity Shares of Rs.10/-each at par were allotted to IDBI as part of One Time Settlement. Consequent upon the allotment of shares to IDBI, the Paid up Equity Share Capital stands increased by Rs. 34.20 Lacs. The present paid up Capital is Rs.394.20 Lacs.



RISHI PACKERS LIMITED

DIRECTORS

Mr. Abhay Paranjpe, retires by rotation and being eligible, offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors hereby Report :

- A. That in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any.
- B. That the Directors have selected such Accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as at March 31, 2005 and of Profit and Loss account for the year ended March 31, 2005.
- C. 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.
- D That the Directors have prepared the Accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year under Report, no employee has drawn remuneration in excess of the limits laid down under Section 217 (2A) of the Companies Act, 1956.

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 from Financial Institutions and Canara Bank.

Place : Mumbai
Date : 7.6.2005

By Order of the Board
Harshad B. Patel
Chairman

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

A) CONSERVATION OF ENERGY

The Company has made changes in some of its extruders which reduces the consumption of energy by 10%. The form 'A' prescribed under the rules is not applicable to the Company.

B) TECHNOLOGY ABSORPTION

The company has been constantly improving the quality of the products to suit the requirements of customers. No specific amount is earmarked for R&D. The Company has installed new Machines as well as modified existing machines to improve the quality of its products.

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 and fabrics amounts to Rs. 366.21 lacs. Expenditure in foreign currency on account of Travelling Rs. 2.67 lacs, on account of Spares and Components Rs. 4.07 lacs and on account of Raw Materials Rs. 30.15 lacs.

