

RISHI PACKERS LIMITED



RISHI PACKERS

TWENTY SECOND
ANNUAL REPORT
2005-2006

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BOARD OF DIRECTORS

Mr. Harshad Patel
Chairman & Managing Director

Mr. Kiran Patel
Mr. Abhay Paranjpe
Mr. Pranav Patel
Mr. Arvind Nopany

AUDITORS

Alladi Krishnan & Kumar
503-504 VIP Plaza
B-7, Veera Indl.Estate
Off. Link Road, Andheri (W)
Mumbai - 400 053.

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.

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 22nd Annual General Meeting of Rishi Packers Limited will be held on Wednesday, the 27th day of September, 2006 at 1 p.m. at Indian Merchants' Chamber, Killachand Conference Room, 2nd floor, IMC Marg, Churchgate, Mumbai 400020 to transact the following business.

As ordinary Business

- 1 To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2006 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. Kiran Patel, who retires by rotation and being eligible offers himself for re-appointment.
- 3 To appoint Auditors and to fix their remuneration.

Registered Office :-

612, Veena Killedar Industrial Estate
10-14, Pais Street, Byculla (W), Mumbai 400011

Dated : 29th June, 2006

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 21.9.2006 to 27.9.2006 (both days inclusive).
- C Reappointment of Director
Mr. Kiran Patel, aged 57 years has been on the Board since 1993. He retires by rotation and is eligible for reappointment. Mr. Kiran Patel is an Engineer and is working for a power plant in United States. He has over 24 years of work experience. He is a promoter Director of the Company.
- D Pursuant to section 205 A of the Companies Act, 1956, Dividend for the financial year 1998-99, 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 30.9.2006.

DIRECTOR'S REPORT**FINANCIAL RESULTS**

	Rs. Lacs		
	2005-06	2004-05	%
Total Income	3086.66	2805.03	10
Earning before Interest & Depreciation	297.29	310.95	(4.6)
Interest	100.65	127.09	
Depreciation	132.37	140.32	
Profit before Tax	64.27	43.54	
Previous Years Adjustment	-	58.57	
Provision for Tax	8.32	-	
Profit after Tax	55.95	102.11	(55)

OPERATING RESULTS

During the year under report the total income increased from Rs.2805 Lacs to 3086 lacs showing an increase of 10%. The profit before Tax increased from Rs.43.54 Lacs to Rs.64.27 Lacs. With the material cost going up and the Company having to operate in severe competitive market on thin margins, the profitability has been adversely affected.

DIVIDEND

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

EXPANSION AND MODERNISATION

The Company undertook a substantial expansion of its Knitting Division capacity. With the completion of the expansion at a cost of Rs.585 Lacs the capacity would double to 1500 MT per annum. Major portion of the expansion was completed before year end. The balance would be commissioned in the first quarter of 2006-07. The expansion was done at the Company's existing plant at Daman. Simultaneously the Company undertook a modernisation plan of its Woven Sacks division at a cost of Rs.120 Lacs. Two tape lines were modernised which will improve its output and reduce power consumption.

CURRENT YEAR

Sales during first two months of the current year are at Rs. 556.14 lacs as compared to Rs.566 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 5.10 lacs. The total deposits outstanding at the end of the year amounts to Rs.62.31 lacs.

FINANCE

During the year 9,80,000 Equity Shares of Rs.10/- each at a premium of Rs.20/- per share were allotted on preferential basis. Consequent upon the allotment of shares, the Paid up Equity Share Capital stands increased to Rs.492.20 Lacs. The amount raised through preferential issue has been fully utilized on the project.

DIRECTORS

Mr.Kiran Patel, 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.



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- 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, 2006 and of Profit and Loss account for the year ended March 31, 2006.
- 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 : 29th June, 2006

By Order of the Board

Harshad 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.127.50 lacs. Expenditure in foreign currency on account of Travelling Rs. 4.31 lacs, on account of Spares and Components Rs. 8.86 lacs and on account of Raw Materials Rs.11.21 lacs.

CORPORATE GOVERNANCE REPORT

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Philosophy on Corporate Governance aims at attaining the highest level of Professionalism, honesty and integrity, besides transparency and accountability towards its stakeholders including shareholders, employees, the government and lenders.

BOARD OF DIRECTORS (As on 31.3.2006)

The Company has five Directors

Name	Category	Other Dictator-Ship	Committee Membership	Attendance At Board Meeting	Attendance At AGM	Share-holding of Non-Executive Directors
Mr.H.B.Patel	Promoter/ Executive	3	Nil	4	Yes	N.A
Mr.A.V.Paranjpe	Non-Promoter/Independent	1	3	Nil	Yes	11793
Mr.A.N.Nopany	Non-Promoter/Independent	1	3	4	No	Nil
Mr.P.J.Patel	Non-Promoter/Independent	1	3	4	No	1767
Mr.K.B.Patel	Promoter/Non-Executive	Nil	Nil	Nil	No	153232

COMMITTEES

1) Remuneration Committee

Remuneration Committee approves the remuneration payable to the Managing Director and senior executives. Only the Managing Director is paid remuneration. Other Directors are paid sitting fees of Rs. 500/ per Board Meeting.

Managing Directors remuneration

Period Three years from 1.4.2005

Salary 70,000 per month in the grade of 70000-5000-80000

HRA 50% of salary per month

Besides the above the Managing Director is entitled to perquisites such as PF, Gratuity, Medical LTA, Telephone, Car, Accident Insurance.

Total Remuneration received by the Managing Director during the year 2005-06 amounts to Rs.14.52 lacs.

2) Audit Committee

The Audit Committee consists of three Directors, Mr.A.V.Paranjpe, Mr.P.J.Patel and Mr.Arvind N. Nopany.

The terms of reference to the Committee, broadly are as under

- 1 Reviewing the quarterly and annual financial statements before submission to the Board.
- 2 Recommending to the Board the appointment, reappointment of the statutory auditors and fixing their remuneration
- 3 Reviewing the internal control system and internal audit function.
- 4 Discussing with internal auditors failure in internal control system and recommending measures for improvement.
- 5 Discussing with statutory auditors about the nature and scope of audit and post audit discussions on any area of concern.
- 6 To look into any defaults in payment to depositors, shareholders and creditors.

The Committee met on 7th June, 2005 to consider the Annual Accounts for the year ended 31.3.2005, on 29.7.05 to consider quarterly unaudited results for the quarter ended 30.6.2005, on 15.10.2005 to consider the half yearly results for the half year ended 30.9.2005 and on 27.1.2006 to consider the Nine months unaudited results for the period ended 31.12.2005.



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3) Shareholders/ Investors Grievance Committee

The Committee consists of three independent Directors Mr. Abhay Paranjpe, Mr. Arvind N. Nopany and Mr. Pranav Patel. The Committee has been constituted to look into redressal of shareholders complaints and correspondence with SEBI and the Stock Exchange.

There are no complaints pending with the Company.

General Meetings

20th AGM – Thursday at 10 a.m. on 23.9.04 at Maheshwari Pragati Mandal,
603, Jagannath Shankar Sheth Road, Mumbai 400002

21st AGM- Killachand Conference Room, IMC, Churchgate, Mumbai 400020

22nd AGM- Killachand Conference Room, IMC, Churchgate, Mumbai 400020

No Resolution was put through postal ballot last year.

Disclosures

There are no transactions of material nature with the Promoters, the Directors or the Management, their Subsidiaries or relatives, etc. that had any potential conflict with the interest of the Company at large.

There were no cases of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or by any statutory authority, on any matter relating to Capital market.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the company has not adopted a treatment different from that prescribed in any Accounting Standard.

The Managing Director and the Finance Officer have certified to the Board in accordance with clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31.3.2006.

Means of Communication

The Company has been publishing the Quarterly and Half Yearly results in Free Press Journal and Navshakti.

General Shareholder Information

22nd Annual General Meeting

Date: 27.9.2006

Time: 1 p.m

Venue: Killachand Conference Room, Indian Merchants' Chamber, IMC Marg, Churchgate,
Mumbai – 400020.

Financial Calendar

Publication of Unaudited Results

Quarter Ending

June, 30th 2006 July, 2006

September, 30th 2006 October, 2006

December, 31st 2006 January, 2007

March, 31st 2007 April, 2007 or June 2007 in case of Audited Results

Book Closure Date

21.9.2006 to 27.9.2006 (both days inclusive)

Listing on Stock Exchange

The shares of the Company are listed on the Mumbai Stock Exchange

Stock Code

Physical Segment 23021

CDSL/NSDL ISIN NO INE989D01010

Stock Market Data

The High and Low of share price of the Company during each month in the last financial year at the Stock Exchange, Mumbai and performance in comparison to BSE sensex.

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Month			BSE SENSEX	
	High	Low	High	Low
April 05	16.05	8.61	6134.86	6605.04
May 05	22.15	13.00	6539.83	6216.77
June 05	29.25	19.15	6900.41	6748.85
July 05	36.65	22.10	7635.42	7303.95
August 05	48.60	33.25	7780.76	7595.57
September 05	39.30	24.65	7899.77	8634.48
October 05	28.70	23.45	8201.73	8697.65
November 05	28.50	22.00	8308.93	8788.81
December 05	23.65	20.75	9284.46	9085.89
January 06	33.50	24.00	9445.30	9390.14
February 06	26.35	22.55	10082.28	9843.87
March 06	25.25	20.00	10735.36	11183.48

Registrar and Transfer Agents

Adroit Corporate Services Private Limited

19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai 400059

Phone No. 28496060/4060, Fax No. 28590942

Share Transfer System

The Share Transfers are handled by Transfer Committee.

The Company's equity shares are compulsorily traded on in dematerialised form as per the SEBI guidelines.

Physical share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are correct and valid in all respects. A letter is sent to the shareholder giving him an option to receive shares in the physical mode or in the dematerialised mode. A period of 30 days is given to the shareholder for sending his intimation. The shareholder then receives the shares in the form he exercises his option.

Pursuant to clause 47 (c) of the listing Agreement, certificates , on half yearly basis have been issued by a company secretary in practice for due compliance of share transfer formalities by the Company. Certificates have also been received from a company secretary in practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

Shareholding Pattern as at March 31, 2006

Category	No. of Shares Held	% to Paid up Capital
Promoters	1260179	25.60
Banks/ Financial Institutions	342000	6.95
Bodies Corporate	1024528	20.82
Non Resident Indians	29484	0.60
Public	2265809	46.03
Total	4922000	100

Distribution of Shareholdings

No of Shares	Nos. of Shareholders	% to Total	No. of Shares	% to Total
Up to 500	3839	89.74	558233	11.34
501-1000	230	5.38	185046	3.76
1001-2000	81	1.89	125038	2.54
2001-3000	23	0.54	58354	1.19
3001-4000	17	0.40	58550	1.19
4001-5000	9	0.21	41630	0.85
5001-10000	36	0.84	294471	5.98
Above 10000	43	1.00	3600678	73.15
Total	4278	100	4922000	100