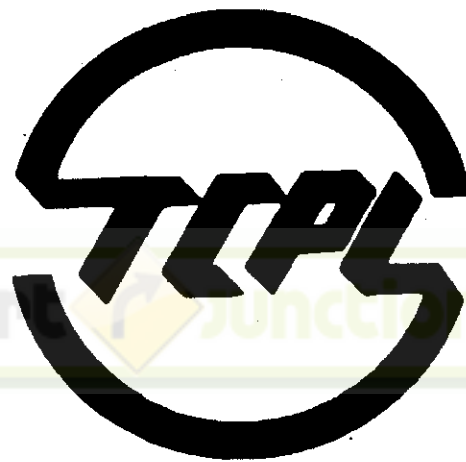

**Twelfth
Annual Report
1999-2000**



TWENTY-FIRST CENTURY PRINTERS LIMITED

**TWENTY-FIRST
CENTURY
PRINTERS LIMITED**

BOARD OF DIRECTORS

Sajjan Jindal, Chairman

N.S. Parulekar

C.M. Maniar

R.S. Lodha

Atul Sud

K.K. Kanoria

Saket Kanoria, Managing Director

Secretary

S.G. Nanavati

Auditors

Shah Gupta & Co.

Chartered Accountants

Registered Office

**Shiv Smriti, 49, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.**

Factory

**18-22, Govt. Industrial Estate,
Masat, Silvassa.
Union Territory of
Dadra & Nagar Haveli-396 230.**

Bankers

Dena Bank

Web site

<http://www.tcpl.kanoriacorp.com>

An ISO 9002 Company

**NOTICE**

Notice is hereby given that the Twelfth Annual General Meeting of Twenty-First Century Printers Limited will be held at Sunville Deluxe Pavillon, 9, Dr. Annie Besant Road, Worli, Mumbai - 400

018, on Tuesday the 25th July, 2000 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the audited Balance Sheet as at and the Profit and Loss Account for the year ended the 31st March, 2000, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr.C.M.Manar who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.N.S.Parulaker who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT, pursuant to Sections 31, 16 and other applicable provisions, if any, of the Companies Act, 1956, that the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and the following be substituted therefor, namely:

"The Authorised Share Capital of the Company is Rs.7,50,00,000/- divided into 75,00,000 Equity Shares of Rs.10/- each".

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary, desirable or appropriate to give effect to this Resolution".

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to Sections 269, 309, 198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and any statutory modification or enactment thereof and all Guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to such requisite approvals, if any, consent of the Company

be and is hereby accorded for the re-appointment of Mr.S.K.Kanoria as the Managing Director of the Company, for a further period of five years from the 1st July, 2000 upon and subject to the remuneration, terms and conditions set out in the Agreement to be entered into between the Company and Mr.Kanoria, a draft whereof is placed before the meeting and, for the purpose of identification, subscribed by the Chairman hereof.

AND RESOLVED FURTHER THAT subject to the limits prescribed from time to time in Section II of Part II of Schedule XIII of the Companies Act, 1956, the remuneration payable as aforesaid shall be paid to Mr.Kanoria as minimum remuneration, notwithstanding that in any financial year of the Company during the term of his office as such, the Company may have made no profits or inadequate profits:

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to review, revise, increase or enhance the remuneration, perquisites and benefits to be paid or provided to Mr.Kanoria (including the minimum remuneration) in accordance with the relevant provisions in the Companies Act, 1956 and/or the rules and regulations made thereunder and/or relaxation or revision in the Guidelines for Managerial Remuneration as may be made and/or announced by the Central Government from time to time".

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary, desirable or appropriate to give effect to this Resolution.

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to Section 81 and any other applicable provisions, if any, of the Companies Act, 1956 and of the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges and subject to any necessary approvals, consents, permissions and/or sanctions of Securities and Exchange Board of India ("SEBI") and subject to all necessary approvals, consents, permissions and/or sanctions of all appropriate and competent authorities including the Reserve Bank of India being obtained in that behalf under the Securities & Exchange Board of India Act, 1992 and Foreign Exchange Management Act, 1999 and other applicable laws, rules and regulations, the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) be and is hereby

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PRINTERS LIMITED**

authorised to create, issue, offer and allot not more than 5,00,000 Redeemable Non- Convertible Debentures of Rs.100/- each of the aggregate value of Rs.5,00,00,000/- carrying simple interest at a rate not exceeding 14 per cent per annum ("Debentures") by way of Rights Issue to the holders of the existing Equity Shares in the Capital of the Company in the proportion of 1 Debenture for every 10 existing Equity Shares of the Company or in such other proportion or ratio, as nearly circumstances admit to the capital paid-up on such Equity Shares on a date to be fixed by the Board in that behalf and on such terms and conditions including the nature of the security as the Board may deem fit and such Debentures shall be redeemable in one or more installments or tranches at any time and from time to time from the date of issue and allotment of the Debentures, but on or before the expiry of five years from the date of such issue and allotment and the sum of money or monies to be redeemed out of the Debentures in such installments or tranches from time to time all in such manner as shall be determined by the Board of Directors in that behalf.

AND RESOLVED FURTHER THAT along with each such Debenture issued and allotted to any member or person under and pursuant to this Resolution, such member or person shall be issued and allotted not more than two detachable Warrants ("Warrant(s)") which shall entitle the person to exercise the option to subscribe for one Equity Share of Rs.10/- each per Warrant at a price of Rs.15/- per Equity Share (that is Rs.10/- on Capital Account and Rs.5/- on Premium Account) and such option may be exercised at any time from the expiry of twelve months from the date of issue and allotment of the Warrants but on or before expiry of sixty months, on such date or dates (not exceeding two dates) as may be determined by the Board, during such period commencing from the date of issue of the Warrants and ending on the expiry of the said period of sixty months.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot from time to time such number of Equity Shares as may be required to be issued and allotted upon exercise of the option attached to the Warrants as may be necessary in accordance with the terms and conditions of the offer aforesaid, subject to the provisions of the Company's Articles of Association and all such new Equity Shares shall rank pari passu with the existing Equity Shares of the Company in all respects, except that the new Equity Shares shall be entitled to dividend from the date of allotment on pro-rata basis.

RESOLVED FURTHER THAT if there are no applicants or subscribers for any or all of the Debentures offered by the Company as aforesaid, then, the Board shall in its sole and absolute discretion be entitled to issue and allot any or all of the

unsubscribed Debentures to such persons (whether shareholders or employees of the Company or otherwise), companies or bodies corporate or organisations, including banks, financial institutions, Mutual Funds, trusts, foreign institutions and other investors on the terms and conditions aforesaid.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to settle any question, difficulty or doubt that may arise in regard to the offering, issue, allotment or utilisation of the issue proceeds as it may in its absolute discretion deem fit and proper."

8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging, charging, hypothecating, pledging, creating a lien or other encumbrance whatsoever on all the immovable and movable properties of the Company whatsoever and wheresoever situate, present and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of the trustees of the Debentures under a Debenture Trust Deed in respect of not more than 5,00,000 Non-Convertible Debentures of Rs.100/- each to be created issued and allotted by the Company to the existing shareholders of the Company on Rights Basis on such other terms and conditions as may be determined by the Company in General Meeting.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do and perform all such further acts, deeds and things as may be necessary, appropriate or desirable for giving effect to this Resolution".

BY ORDER OF THE BOARD

S.G.Nanavati
Company Secretary

Registered Office:

Shiv Smriti,
49, Dr. Annie Besant Road,
Worli,
Mumbai 400 018.

Dated : 21st June, 2000

**EXPLANATORY STATEMENT**

Under Section 173 of the Companies Act, 1956

Item 5

At present the Company's Authorised Capital is Rs.7,50,00,000/- divided into 55,00,000 Equity Shares of Rs.10/- each and 2,00,000 Redeemable Preference Shares of Rs.100/- each.

The Issued, Subscribed and Paid-up Capital of the Company is Rs.5,00,00,000/- divided into 50,00,000 Shares of Rs.10/- each.

The Company has not issued any Preference Shares and does not envisage the need to issue such shares.

Therefore, the Directors consider it advisable to consolidate the Authorised Share Capital into one class of shares, namely, Equity Shares and cancel the Preference Share Capital.

The Directors, therefore, recommend the passing of the Special Resolution for the above purpose and the consequential amendment of Clause V of the Memorandum of Association as contained in Item 5 of the Notice in accordance with Section 16 read with 31 and other applicable provisions, if any, of the Companies Act.

None of the Directors may be considered to be concerned, or interested in passing of the Resolution.

Item No. 6

The Board of Directors of the Company at its meeting held on the 21st June, 2000 re-appointed Mr. S.K.Kanoria, as Managing Director in the whole-time employment of the Company for a period of five years with effect from the 1st July, 2000 with substantial powers of management in terms of the draft Agreement placed before this meeting.

Mr. Kanoria shall be vested with substantial powers of management and shall be responsible for the conduct of the business, activities and operations of the Company. He shall perform all such duties and exercise such powers as may from time to time be assigned to him by the Board of Directors of the Company.

The particulars of the remuneration to be paid and provided to Mr.Kanoria within the limits of Schedule XIII of the Companies Act are as under:

REMUNERATION :**SALARY :**

Rs.1,00,000/- per month, subject to such annual increments as the Board may determine.

COMMISSION :

Commission based on the net profits of the Company, subject to the ceiling prescribed in that behalf under the Companies Act, 1956.

PERQUISITES AND ALLOWANCES:

Bonus or ex-gratia payment in accordance with the Rules and Regulations of the Company, accommodation (furnished or otherwise), or rent allowance in lieu thereof; house maintenance allowance, together with utilities thereof such as gas, electricity, water, furnishings and repairs; servants allowance, education allowance for dependant children, entertainment and newspaper and periodicals allowance, medical reimbursement; leave travel allowance for himself and his family; club fees, medical insurance, etc. in accordance with the Rules and Regulations of the Company or as agreed by the Board of Directors: Provided that the aggregate value shall not exceed Rs.40,000/- per month or Rs.4,80,000/- per annum.

RETIREMENT BENEFITS :

Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, 1961. Gratuity payable in accordance with the Rules and Regulations of the Company and the value of such benefits shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

USE OF CAR AND TELEPHONE :

Provision of the Company's cars and driver for use on the Company's business and telephone(s) at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for purpose of calculating the said ceiling.

If during the term of office of Mr.Kanoria, the Company has made no profits or its profits are inadequate in any financial year, he will be entitled to remuneration by way of salary and perquisites not exceeding the limits specified in Schedule XIII to the Companies Act by way of minimum remuneration.

Mr. Kanoria will not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof.

Mr. Kanoria shall give an undertaking to the Company that he shall not so long as he functions as the Managing Director of the Company, become interested or otherwise connected directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Company and the Central Government.

The Board of Directors are authorised to increase, augment and/or enhance or vary the remuneration to be paid and provided from time to time to Mr. Kanoria in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification or re-enactment thereof and/or the Guidelines for Managerial Remuneration issued by the Government of India or other appropriate authority in that behalf as in force and as amended from time to time.

Either party shall be entitled to terminate the Contract by giving not less than six months' prior notice in writing in that behalf.

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The Directors, therefore, recommend the passing of the Ordinary Resolution contained in Item 6 of the accompanying Notice under Sections 269, 309, 198 and other applicable provisions if any, of the Companies Act for the above purpose.

Mr. Kanoria may be considered to be interested in passing of the Resolution as it relates to his reappointment and remuneration.

None of the Directors other than Mr. K.K. Kanoria and Mr. Sajjan Jindal, may be considered to be concerned or interested in the Resolution.

The Agreement proposed to be entered into with Mr. Kanoria will be available for inspection to the members at the Registered Office of the Company during the Company's business hours on any working day of the Company upto and including the date of the meeting.

Item No. 7

In order to strengthen the long-term Working Capital position, the Company proposes to issue and allot not more than 5,00,000 Non Convertible Debentures of Rs.100/- each ("Debentures") to the shareholders of the Company on Rights basis in the ratio of 1 Debenture of Rs.100/- for every 10 shares held by a shareholder in the capital of the Company on such date as may be fixed by the Board of Directors in that behalf.

The Debentures shall carry simple interest at a rate of not exceeding 14 per cent per annum and shall be redeemable at the instance of the Company in one or more installments or tranches at any time and from time to time from the issue and allotment of the Debentures, but on or before the expiry of five years from the date of issue and allotment of the Debentures and the amount or money to be redeemed out of or all the Debentures from time to time shall be determined by the Board in that behalf.

Two Detachable Warrants ("Warrant(s)") shall be issued and attached to each Debenture issued and allotted as above. The holder of a Warrant shall be entitled to subscribe for 1 Equity Share of Rs.10/- each for every Warrant held by him. Such option for subscription for Equity Shares shall be exercised by the warrant holders at any time after the expiry of a period of 12 months from the date of issue and allotment of the Warrants, but within not more than 60 months from the date of allotment of the Warrant, at a pre-determined price of Rs.15/- per Equity Share (that is Rs.10/- on Capital Account and Rs.5/- on Premium Account).

Applications will be made to the Bombay and Ahmedabad Stock Exchanges for listing of the Debentures, Warrants and the Equity Shares to be issued and allotted to the exercise of the option attached to the Warrant.

The Directors, therefore, recommend the passing of the Resolution contained in Item 6 of the accompanying Notice in accordance with Section 81 of the Companies Act.

The Company has already passed an Ordinary Resolution under Section 293(1)(d) of the Companies Act enabling it to borrow monies to Rs.30,00,00,000/- and, therefore, the amount or money to be borrowed under the Debentures is within the above limit.

All the Directors of the Company may be considered to be interested or concerned in passing of the Resolution to the extent of the Debentures, Warrants and Equity Shares to be issued and allotted to them under or pursuant to this Resolution.

Item No.8.

The Company proposes to issue and allot not more than 5,00,000 Non-Convertible Debentures of Rs.100/- each carrying such interest and redeemable from time to time and issue and allotment upto the period not exceeding 5 years from such date.

The Debentures will have to be secured by creation of a mortgage, hypothecation, charge, lien or other encumbrance on the moveable and immovable assets of the Company under a Debenture Trust Deed to be executed between the Company and the Trustees of the Debentures in that behalf.

The mortgage, creation of charge and/or hypothecation by the Company of its property as and when would be considered to be the disposal of the Company's undertaking within the Companies Act, 1956 for borrowings approved by the shareholders in this meeting in terms of section 293(1)(d) of the Companies Act, 1956.

The Directors therefore recommend passing of the Special Resolution as contained in Item 8 of the accompanying Notice under Section 293(1)(a) of the Companies Act, 1956.

None of the Directors of the Company may be considered to be interested or concerned in passing of the Resolution.

ABSTRACT TO THE TERMS AND CONDITIONS OF THE REAPPOINTMENT OF MR.S.K.KANORIA AS MANAGING DIRECTOR AND MEMORANDUM OF INTEREST.

The contents of Item No.6 of the Explanatory Statement may be considered to be an Abstract of the Terms and Conditions of the re-appointment of Mr.S.K.Kanoria as the Managing Director and the Memorandum of Interest.

BY ORDER OF THE BOARD

S.G.Nanavati
Company Secretary

Registered Office:
Shiv Smriti,
49, Dr. Annie Besant Road,
Worli,
Mumbai 400 018.
Dated : 21st June, 2000

**DIRECTORS' REPORT**

To the Members

Your Directors have pleasure in submitting the Twelfth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

The working results before charging interest and depreciation show an operating profit of

(Rs. in Lacs)
Year Previous Year
1999-2000 1998-99

604.27 580.58

From which have been deducted:

Interest / Finance Charges

159.56 176.90

Leaving a Cash Profit of

444.71 403.68

From which have been deducted

Depreciation

202.65 192.56

Provision for taxation

8.43 8.90

Leaving a balance of

233.63 202.22

To which have been added:

Balance brought forward from previous year

542.46 465.24

Making a total of

776.09 667.46

Which has been appropriated by the Directors as under:

Transfer to Debenture Redemption Reserve

- 125.00

Balance to be carried forward

776.09 542.46

776.09 667.46

DIVIDEND

Even though the financial results of the Company are considerably better than last year, your Directors regret their inability to declare any dividend for the year ended 31st March, 2000. This is because as against cash profit of Rs.444.71 lacs, your company has made repayments to the financial institutions to the tune of Rs.397.89 lacs. Also, your Directors feel it prudent and advisable to conserve funds to improve the current ratio to the desired levels as required by the Company's Bankers. However, in view of the improved profitability expected in the current year and lower repayment obligations, your Directors are confident of recommending dividend in the current year.

WORKING REVIEW AND FUTURE PROSPECTS

The sales for the year 1999-2000 increased to Rs.3049.92 lacs from Rs.2650.58 lacs - an increase of 15.07%. This resulted in an increase of 15.53 % in the Net Profit, from Rs.202.22 lacs to Rs.233.63 lacs.

You would be aware that the Company sells some of its products on conversion charges basis. Had all the products been sold on sales basis, the turnover would have been Rs.4155 lacs as against Rs.3753 lacs.

If you analyse the quarterly results of the Company, you will find that the 2nd half of the year was much better than the 1st half. This is due to several factors. The back bone of the Company, the cigarette industry, was quite sluggish during the 1st half. Due to various incentives announced by the Government, the industry started picking up during the 2nd half. We are happy to state that the welcome sign of revival is continuing in this financial year also. Moreover, the packaging requirements of the cigarette industry is shifting from shells and slides to Hinge Lid Blanks. These are value-added products. To cater to this shift, your Company has invested a substantial amount in Capital equipment which will stand us in good stead in the future.

You will also be happy to note that apart from catering to the domestic cigarette market, the company has broken into export markets. After initial small supplies, bulk orders are now expected.

Another reason for better results in the 2nd half is due to large scale supplies to the non-cigarette industry. Our labour of the last few years is now bearing fruit and we have been able to make significant in-roads into various consumer industry segments other than cigarette. It is our constant endeavour to penetrate deeper into such segments so that the growth rate of your Company matches your expectations year after year.

One encouraging trend in all types of customers today is that they are slowly but steadily looking at more and more quality products. This is challenging, but extremely welcome. Your Company's strength lies in the production of sophisticated printed packaging materials. This change in attitude of the customers will ensure growth of those who have the capability to produce materials of the highest quality. Your Company has that capability.

As a result of all these factors, the sales and profitability are expected to go up substantially from now on.

ISO 9002 CERTIFICATION

The Company has been enjoying ISO 9002 Certification from TUV Bayern, Germany for manufacturing Printed Packaging materials. In the current year, this has been re-certified.

DIRECTORS

Shri C.M.Maniar and Shri N.S.Parulekar, Directors of the Company, retire from the office by rotation and being eligible, offer themselves for reappointment.

LONG TERM FINANCE & WORKING CAPITAL FINANCE

During the year under review, the Company has been sanctioned a term loan of Rs.300.00 lacs by M/s. IFCI Limited to finance the expenditure incurred on modernisation of the older machine and investment in rotary tools and finishing equipment for manufacture of hinge lid packs. This amount is repayable over 20 quarterly installments commencing from April, 2001.

The Company had redeemed in January 1999, 50% of 18.5% - 2,50,000 Non-Convertible Debentures of Rs.100/- each aggregating to Rs.250.00 lacs placed with IFCI Limited on private placement basis. The balance 50% i.e. 1,25,000 Non-Convertible Debentures aggregating to Rs.125.00 lacs has been redeemed as per terms of redemption in the year 1999-2000.

PERSONNEL

Your Directors are pleased to state that the relations with the employees workers at factory and office were cordial throughout the year under review. Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 form part of this Report.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTIONS

The Company has continued to make efforts for conserving and optimising the use of energy

ACKNOWLEDGEMENT

The Directors wish to record their appreciation to the Financial Institutions viz. IFCI Limited, Industrial Development Bank of India and to Dena Bank, Bankers of the Company for their timely financial assistance.

AUDITORS

M/s. Shah Gupta & Co., Auditors of the Company retire at the Annual General Meeting and are eligible for reappointment.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 21st June, 2000

Sajjan Jindal
Chairman

Annexure to Directors' Report

Particulars of the employees as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 annexed to and forming part of the Directors' Report for the year ended 31st March, 2000.

1. Employed throughout the year under review and were in receipt of remuneration aggregating to not less than Rs.6,00,000/- per annum.

Sr. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (Years)	Age (Years)	Date of Commencement of employment	Last employment and position held
1.	Mr.Saket Kanoria	Managing Director	1171271/-	B.Com. M.B.A.	15	36	20.06.1989	Kesari Chemical Private Limited, Managing Director

2. Employed for the part of the year and were in receipt of remuneration aggregating to not less than Rs.50000/- per month -

Nil.

Notes :

1. The conditions of employment are contractual
2. Remuneration shown above includes salary, allowances and monetary value of perquisites and the Company's contribution to Provident Fund.
3. Mr.Saket Kanoria is a relative of Mr.Sajjan Jindal, Chairman and Mr.K.K.Kanoria, Director.