



**TENTH
ANNUAL REPORT
1996-97**

MD		REC	
CS		DPY	
RO		DIV	
TRA		AC	
AGM		SHI	
YE			



**Board of Directors****Directors**

Shri U. C. Bhandari

Shri Ramesh Chandra Singhi

Shri Rajendra Kankaria

Shri Vinod Baid

Shri C. S. Ramulu
(Nominee of APSFC)

Shri K. Jayaprakash Rao
(Nominee of APIDC)

Managing Director

Shri Prem Kankaria

Registered Office

6 - 3 - 1090/C - 4
Opp. Kapadia Lane,
Raj Bhavan Road,
Hyderabad - 500 082
Andhra Pradesh, India.

Works

Survey No. 715,
Kondamadugu, Bibinagar,
Dist. Nalgonda
Andhra Pradesh, India

Bankers

State Bank of India

Auditors

S Singhvi & Co.
Chartered Accountants

Registrars

SRIVEN
95
Sriven Corporate Services Pvt. Ltd.
8-3-952/10/2, Srinagar Colony Road,
Panjagutta,
Hyderabad - 500 016.
Andhra Pradesh, India.

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RAJ PACKAGING INDUSTRIES LIMITED**NOTICE TO MEMBERS**

Notice is hereby given that the TENTH Annual General Meeting of the Members of RAJ PACKAGING INDUSTRIES LIMITED will be held at 11 A.M. on Monday, the 29th day of September, 1997, at Hotel Aditya Deluxe, 1-7-206, S.D. Road, Secunderabad, to transact the following business.

ORDINARY BUSINESS

1. To Consider and adopt the audited Balance Sheet as at 31st March, 1997; the Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri U.C. Bhandari, who retires by rotation and is being eligible to offer himself for re-appointment.
3. To appoint a Director in place of Sri Ramesh Chandra Singhi, who retires by rotation and is being eligible to offer himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provision of section 198,309 and other applicable provisions if any, of the Companies Act 1956, read with schedule XIII to the act amended up to date, Sri Prem Kankaria be and is hereby reappointed as Managing Director of the Company with effect from 1.4.1997 to hold office for a period of five years from 1.4.1997 to 31.03.2002 (both days inclusive) on such consolidated salary and perquisites as have been set out in the statement, a copy where of initialed by the

chairman for the purposes of identification placed before this meeting, with liberty to the Board to alter and vary such consolidated salary and perquisites so as not to exceed the limits specified in section I Part II of Schedule XIII of the Companies Act, 1956, or any statutory modifications or reenactment thereof as may be agreed to by the Board of Directors and Sri Prem Kankaria."

1. Salary : Rs.25,000/- p.m.(in the scale of Rs.25000/- --- Rs.40,000/-p.m.)
2. Perquisites & Allowances:-
 - a) In addition to the salary the Managing Director shall also be entitled to Perquisites & Allowances like Rent Free furnished accommodation, Medical Reimbursement for himself and his family, Leave Travel Concession for himself and his family, Club Fee, Personnel Accident Insurance etc. and such other Perquisites and Allowances in accordance with the rules of the company or as may be agreed to by the Board of Directors and the Managing Director, such Perquisites and Allowances to be restricted to 125% of his Annual Salary.
 - b) For the purpose of calculating the above ceiling, Perquisites and allowances shall be calculated as per Income-tax Rules, 1962, wherever applicable. In the absence of any such Rules perquisites and allowances shall be calculated at actual cost. The Provisions for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance personal calls) shall not be included in the computation of perquisites and

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allowances for the purpose of calculating the said ceiling.

- c) Company's contribution to Provident Fund shall not exceed the limits specified under the Income Tax Act, 1961. Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the perquisites and allowances aforesaid.

By Order of the Board

Hyderabad,
28th June, 1997.

PREM KANKARIA
Managing Director

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be filed at the Registered office of the company not later than forty eight hours before the meeting.
3. Members and proxies are requested to bring the enclosed attendance slip duly filled in for attending the meeting.
4. Members are requested to intimate to the Registrar any change of Address quoting their Share Ledger Folio number(s).

5. The Share transfer books and Register of members will remain closed from 15th September, 1997 to 29th September, 1997 (both days inclusive).
6. No person other than Member/Duly registered proxy with the company with duly filled in attendance slip will be allowed to enter the venue of the meeting.
7. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is as follows.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.5 : Your company has attained new heights under the dynamic leadership of Managing Director Sri Prem Kankaria. He was appointed as Managing Director for a period of 5 years w.e.f. 1st April, 1992. At their meeting held on 29th March, 1997; the Board of Directors reappointed Sri Prem Kankaria as Managing director for a further period of 5 years commencing 1st April, 1997 on the terms, salary and perquisites as stated up in Item No. 5.

The Director recommended the Resolution for adoption. Except Sri Prem Kankaria himself as appointee and Sri Rajendra Kankaria in the capacity of brother of appointee, no other Director is in any way interested in the Resolution.

By Order of the Board

Hyderabad,
28th June, 1997.

PREM KANKARIA
Managing Director

**AS PER SEBI GUIDELINES, NO GIFTS WILL BE DISTRIBUTED
AT ANNUAL GENERAL MEETING**

RAJ PACKAGING INDUSTRIES LIMITED**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the 10th Annual Report and Audited Accounts of the Company for the year ended 31st March, 1997.

Financial Results

The operating results of the company for the year under review are as follows:-

	(Rs. in lacs)	
	1996-97	1995-96
Sales & Other Income	577.58	484.84
Operating Profit (PBITD)	80.83	62.34
Interest	47.56	30.35
Profit before Depreciation and taxes (PBDT)	33.27	31.99
Depreciation	25.48	16.16
Profit before Tax (PBT)	7.79	15.83
Provision for Tax	—	—
Profit after Tax (PAT)	7.79	15.83

Review of Operations

The year under review has recorded increase in Gross Turnover which stands at Rs.566.05 lacs registering an increase of 19.85%. The operating Profit of the company also recorded an impressive rise of 29.66% over last year. Your company enjoys an operating Profit Margin of 14.28% which is one of the best in the industry. The year under review saw your company enjoying fruit of expansion project by crossing the production of 600 MT mark which stood at 680 MT but is less than the expected turnover. However, increased burden of interest and depreciation for expansion project, which was not compensated by corresponding increase in sales turnover due to widespread recession in the market seen a decline in bottom line.

Your Directors would like to inform you that the company has already entered into expanded capacity area and product mix is consistently being updated to bring more value addition which is one among the best in the industry, the company is all set to achieve higher profits in ensuing years.

Dividends

The results under review do not permit your Directors to recommend dividend for the year.

Future Plans

During the year under review, your company has crossed the pre expansion production capacity of 600 MT and achieved a higher production of 680 MT. This year company is participating in a large number of tenders for bulk supplies. Your Directors are hopeful that current year will end in a much improved and better bottomline.

Further the company's continuous efforts to develop new products, to explore new applications based on newer & imported raw materials and efforts to make a dent into supplies to multinational will start showing result by way of increase turnover in the current year.

Fixed Deposits

During the year under review your Company has not accepted any Deposits from Public/ Members.

Conservation of Energy

It is your management's continuous endeavour to make best use of available energy. Needed equipments including capacitors are installed at major load centre to maintain proper powerflow and reduce energy consumption. The Company is making regular & preventive maintenance of machines, electrical equipment etc. In near future, there is no proposal of additional investment for the purpose.

Technology Absorption

Your company has got state of the art plant from Paul Kiefel, Germany which is based on latest technology helping your company to have better quality of its products and achieve economies in production cost.

Foreign Exchange Earnings & Outgo

During the year under review your company has not earned any foreign exchange. Out flow on this account was Rs. 87.54 lakhs for imports of Raw Material from Qatar (Gulf), Singapore, Australia and Korea.

10TH ANNUAL REPORT - 1996 - 97**Auditor's Report**

With reference to the observations made by the Auditors in their report, your Directors wish to state that the notes forming part of Accounts are themselves self explanatory and hence do not require any further clarification.

Particulars of Employees.

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 is annexed herewith as Annexure 'A' forming part of this report.

Projections Vs Performance

As required by Clause 43 of the Listing Agreement with Stock Exchanges, following is a comparison between projections as per Prospectus dated 21-01-95 and the actuals for the year.

	(Rs. in lakhs)	
	Projections	Performance*
	1996-97	1996-97
Sales and Other Income	1133.84	577.58
Profit After Tax (PAT)	160.01	7.79

*Due to delay in completion of expansion project coupled with sluggishness in the market, the company was not able to meet its Sales Target and so the bottomline.

Directors

In accordance with the provisions of the Companies Act, 1956, and Clause 102 of the Articles of Association of the company Sri U. C. Bhandari and Sri. Ramesh Chandra Singhi retire by rotation and are being eligible to offer themselves for re-appointment.

Auditors

The auditors of the company M/S S.SINGHVI & CO., Chartered Accountants, Hyderabad retire at conclusion of this Annual General Meeting and are being eligible for re-appointment.

Acknowledgement

Your Directors wish to place on record their gratitude to all staff members for their contribution towards growth of the Company and to Financial Institutions viz. Andhra Pradesh State Financial Corporation, Andhra Pradesh Industrial Development Corporation and State Bank of India for their support and also place on record their appreciation for the continuing support extended by the shareholders.

By Order of the Board

Hyderabad,
28th June, 1997.

PREM KANKARIA
Managing Director

ANNEXURE - A TO DIRECTORS' REPORT

Statement Pursuant To The Provisions of 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, 1997.

Name of the Employees	Remuneration Rs.	Designation	Qualification & Experience	Date of commencement of employment	Age years	Particulars of last employment
Shri Prem Kankaria	318000	Managing Director	B.Com (Hons) A.C.A, 17 Years	18.6.87	41	Own Industry

Remuneration includes Salary, House Rent Allowance and company's contributions towards Provident Fund.