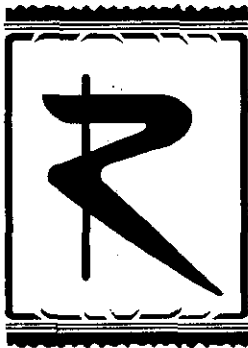


**12th Annual
Report
1998-99**

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RAJ

packaging industries limited



Board of Directors	Shri U.C. Bhandari	Director
	Shri Ramesh Chandra Singhi	Director
	Shri Rajendra Kankaria	Director
	Shri C.S.Ramulu (Nominee of APSFC)	Director
	Shri Prem Kankaria	Managing Director

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
Saifabad Branch, Hyderabad,
Andhra Pradesh, India.

Auditors S. Singhvi & Co.
Chartered Accountants
Hyderabad, Andhra Pradesh, India.

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

You can Email us at : rajpack@hd2.vsnl.net.in

**NOTICE TO MEMBERS**

Notice is hereby given that the TWELTH Annual General Meeting of the Members of RAJ PACKAGING INDUSTRIES LIMITED will be held at Hotel Aditya Deluxe, 1-7-206, S.D. Road, Secunderabad on Thursday, the 30th day of September 1999, at 11.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To Consider and adopt the Balance Sheet as at 31st March, 1999, 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 being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors

HYDERABAD **PREM KANKARIA**
22nd May, 1999 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 deposited at the Registered office of the company not less than forty eight hours before the Schedule time of meeting.
3. **Members/proxies should bring the attendance slip duly filled in for attending the meeting and sign at Registration counter at the venue of the meeting.**
4. Members are requested to intimate to the Company at its registered office any change of Address quoting their Share Ledger Folio number(s).
5. The Share transfer books and Register of members will remain closed from Friday, the 24th day of September, 1999 to Thursday, the 30th day of September, 1999 (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.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 12th Annual Report and Audited Accounts of the Company for the year ended 31st March, 1999.

SUMMARISED FINANCIAL RESULTS

Your Company's performance during the year as compared to previous year is summarised below:-

	(Rs. in lakhs)	
	1998-99	1997-98
Sales & Other Income	762.85	595.72
Operating Profit (PBITD)	98.00	56.83
Interest	40.27	43.87
Profit before Depreciation and taxes (PBDT)	57.73	12.96
Depreciation	26.06	26.03
Profit/(Loss) before Tax	31.67	(13.07)
Provision for Tax	—	—
Profit/(Loss) after Tax	31.67	(13.07)
Prior Period adjustments	6.49	—
Profit/(Loss) after Prior Period Adjustments	25.18	(13.07)
Balance Brought forward	13.02	26.09
Amount available for appropriations	<u>38.20</u>	<u>13.02</u>

APPROPRIATIONS

Your Directors recommended appropriation as under :

Transfer to Investments Allowance Reserve	5.00	—
Transfer to General Reserve	1.00	—
Balance Carried forward	32.00	13.02
Total Appropriations	<u>38.20</u>	<u>13.02</u>

REVIEW OF OPERATION

During the year, your company has achieved a highest ever production of 960 MT (at 64% capacity) as against 723 MT (at 48% capacity) in previous year.

Your Directors are happy to inform you that the expectations we made during our last communique has been fruitilized. Your company's sales rose by 28% during the year. Net bottomline before prior period Items is positive at Rs.31.67 lakhs as against negative of Rs.13.07 lakhs *during the previous year.* Your management's continuous efforts to explore more value yielding products and to change product mix to yield higher additions resulted in jump of 72% in Operating Profit.

DIVIDENDS

To augument company's resources, your Directors do not recommend any dividend for the year.

FUTURE OUTLOOK

The management of your company is always exploring new and technically superior products giving its customers high quality benefit with lesser cost. Your company's imported Plant & Machinery is one of the best available in South India. Your Company's ability to cater to its customers more sophisticated and technically advanced products has earned it a lots of loyal customers. Yours company's managements is grabbing every opportunity to change the product mix so that the maximum possible return can be generated. We are hopeful with all these that we will be sharing more happy news with you next year.

FIXED DEPOSITS

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



ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo is given as Annexure-'A' forming part of this report.

AUDITORS' REPORT

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

PARTICULARS OF EMPLOYEES.

None of the employee is drawing remuneration in excess of the limits specified in Section 217(2A) of the Companies Act, 1956.

PROJECTIONS V/S PERFORMANCE

Pursuant to Clause 43 of the Listing Agreement with Stock Exchanges, following is a comparison between projections as per Prospectus dated 21st January, 1995 and the actuals for the year.

(Rs. in lakhs)

PROJECTIONS PERFORMANCE*

	1998-99	1998-99
Sales and Other Income	1275.57	762.85
Profit After Tax (PAT)	176.11	31.67

*Reason for variation is down trend in economy which resulted in delay in getting results from expanded capacity.

for and on behalf of the Board

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 retire by rotation and being eligible, offers himself for re-appointment.

Shri K. Jayprakash Rao's nomination from the directorship of the Company was withdrawn by APIDC w.e.f 5th August, 1998. Your Directors wish to express their sincere appreciation for valuable guidance and advise, he made available to the company for its growth.

Y2K COMPLIANCE

The Company has taken appropriate and effective steps to be Y2K Compliant by September,99. The expenditure to ensure Y2K compliance is not expected to have any material financial impact.

AUDITORS

The auditors of the company M/S S.SINGHVI & CO., Chartered Accountants, Hyderabad retire at conclusion of this Annual General Meeting and being eligible, offers themselves 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.

HYDERABAD
22nd May, 1999

PREM KANKARIA
MANAGING DIRECTOR.



ANNEXURE - A TO DIRECTORS' REPORT

FORM - A

(Form for disclosure of particulars with respect
to conservation of Energy)

	1999	1998
A. <u>Power & Fuel Consumption</u>		
1. Electricity		
a. <u>Purchased</u>		
Units - KWH	337252	285792
Total Cost - Rs.	1434063	1197071
Rate/Unit - Rs	4.25	4.19
b. <u>Own Generation</u>		
Through Diesel Generator		
Units - KWH	263720	155000
Units per Unit of fuel	2.65	2.55
Cost/Unit - Rs.	4.34	4.15
B. <u>Consumption Per Unit of Production</u>		
Electricity	0.63	0.61

FORM - B

(Form of Disclosure of Particulars with respects to
Technology Absorption & Foreign Exchange Earnings & Outgo)

Research & Development (R & D)	Nil	Nil
Technology absorption, adaption and innovation	Nil	Nil
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo (Rs. in lakhs)	53.50	38.99

**AUDITOR'S REPORT**

TO
THE MEMBERS.

We have audited the attached Balance Sheet of RAJ PACKAGING INDUSTRIES LIMITED, as at 31st March, 1999 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto 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 annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 2) Further to our comments in the annexure referred to in paragraph (1) 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 purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the 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, the Profit and Loss Account and Balance Sheet comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
- e) In our opinion, and to the best of our information and according to the explanations given to us, the accounts subject to the matter relating to land not transferred in the name of the Company, and read together with the other notes appearing in Schedule 18 there on gives the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view:
 - i) in the case of the balance sheet of the state of affairs of the company as at 31st March, 1999 and
 - ii) in the case of the profit and loss account of the profit for the year ended on that date.

for **S.SINGHVI & CO.,**
Chartered Accountants

Hyderabad
22nd May, 1999.

SHAIENDRA SINGHVI
PROPRIETOR

ANNEXURE TO THE AUDITOR'S REPORT

(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. As explained to us, all the fixed assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- 2 None of the Fixed Assets has been revalued during the year.
- 3 As explained to us, the stock of finished goods, stores, 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 In our opinion, the procedure of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 5 The discrepancies noticed on verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- 6 On the basis of our examination of stocks records, we are of the opinion that the valuation of stocks is fair and proper in