15th

ANNUAL REPORT

2001-2002

RAJ packaging industries ltd.

BOARD OF DIRECTORS

Shri L.P. Bhandari

Shri Ramesh Upendra Singhi

Shri Rajendra Kankaria

Shri Prem Kankaria
Managing Director

REGISTERED OFFICE	6-3-1090/C-4, Opp: Rajpath Lane, Raj Bhavan Road, Hyderabad - 500 082, Andhra Pradesh, India.
WORKS	Survey No. 765, 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: Rajpath Lane, Raj Bhavan Road, Hyderabad - 500 082, Andhra Pradesh, India

You can E-mail us at: rajpack@hd2.vsnl.net.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the [illegible] Annual General Meeting of the Members of [illegible] PACKAGING INDUSTRIES LIMITED will be held at [illegible] on [illegible] the [illegible] day of [illegible], 2002 at 11.30 a.m. to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March 2002, Profit & Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' thereon.
2. To declare dividend on Equity Share.
3. To appoint a Director in place of [illegible], who retires by rotation and is being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and other applicable provisions if any, of the Companies Act, 1956 read with schedule XIII to the act amended up to date, Shri [illegible] be and is hereby reappointed as Managing Director of the Company with effect from 1.4.2002 for a further period of five years on such consolidated salary and perquisites as have been set out hereunder:

1. Salary - Rs.[illegible] p.m. (in the scale of [illegible] to [illegible])
2. Free furnished residential accommodation or house rent allowance as per the rules of the Company with all amenities including gas, electricity, water, Personal Accident Insurance etc., as allowed under the Income Tax Act, 1961.
3. Medical expenses incurred for self and family including dependent mother and father subject to a ceiling of one month's salary per year or 3 month's salary in a block of 3 years, will be reimbursed.
4. Leave Travel Concession for self and family including dependent father and mother to and from any place in India once in a year in accordance with the rules of the Company.
5. Fees of Clubs subject to a maximum of two clubs will be allowed. This will not include admission and life membership fees.
6. Company's contribution to Provident Fund and Superannuation Fund shall be allowed under the Income Tax Act and rules.
7. Gratuity as per the rules of the Company, payable not exceeding half a month's salary for each completed year of service.
8. Use of Company's car with driver for official purpose.
9. Telephone facility at residence.

iii) Reimbursement of [illegible] incurred by [illegible] for the [illegible] business of the [illegible]

iv) Sitting fees [illegible] to [illegible] the [illegible] Committee Meetings.

NOTES:

1. 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.

   THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The relative Explanatory Statement in respect of Business under item No. [illegible] as set out in [illegible] is annexed hereto.

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 Numbers.

5. The Share Transfer Books and Register of Members will remain closed from 26th September, 2002 to 28th September, 2002 (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. The dividend declared at the Meeting will be payable on or after 28th September, 2002 subject to deduction of Tax at source, as applicable in respect of Shares held in physical form to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfer lodged with the Company on or before 19th September, 2002 and in respect of Shares held in the Electronic Form to those "Deemed Members" whose names appear in the statement of beneficial ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as on that date.

8. In case of resident individual, income tax will not be deducted at source from dividend, if declared, where:-

   i) such dividend does not exceed Rs.1000/-.

   ii) such dividend exceeds Rs.1000/- on furnishing declaration in Form No.15G in duplicate, to the Company, on or before 19th September, 2002.

9. Members are requested to inform the Company their Income Tax Permanent Account Number (PAN), if any, allotted to them by the Income Tax Authorities to be stated in the Tax Deduction Certificate.

10. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company in the prescribed Form 2B.

packaging [illegible]tries ltd.

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

ITEM NO.5 (Ordinary Resolution)

[illegible] Sri Prem Kankaria. He was appointed as Managing Director [illegible] April, 1997 to 31st March, 2002. [illegible] as Managing Director for a further period of 5 years [illegible] 2002 [illegible] salary and perquisites as stated in item No.5.

The Directors recommended the Resolution for adoption. [illegible] Sri Prem Kankaria [illegible] as appointee and Sri Rajendra Kankaria in the capacity [illegible] Directors [illegible] interested in the Resolution.

By Order of the Board

Sd/-
PREM KANKARIA
MANAGING DIRECTOR

HYDERABAD
29th June, 2002

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the [illegible] Annual Report and Audited Accounts of the Company for the year ended 31st March 2002.

SUMMARISED FINANCIAL RESULTS

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

	(Rs. in Lakhs)	
	2001-02	2000-01
Sales & Other Income	916.99	[illegible]
Operating Profit (PBIDT)	133.98	[illegible]
Interest	10.98	21.20
Profit before Depreciation and Taxes (PBDT)	122.70	[illegible]
Depreciation	27.48	[illegible]
Profit Before Tax	95.21	[illegible]
Provision for Tax		
Current Tax	[illegible]	[illegible]
Deferred Tax	36.29	—
Profit after Tax	58.70	62.19
Prior period adjustments	0.66	[illegible]
Profit after prior period Adjustments	58.04	[illegible]
Balance brought forward	79.16	[illegible]
Amount available for appropriations	137.20	116.78

APPROPRIATIONS

Your Directors recommended appropriations as under :

Transfer to General Reserve	[illegible]	7.00
Proposed Dividend @ 1.00 per share (subject to TDS)	20.38	22.79
Tax on Dividend	—	2.33
Balance Carried forward	53.58	79.16
Total :	137.20	116.78

REVIEW OF OPERATION

During the year under review, your company has achieved a turnover of Rs. 916.99 Lakhs as compared to Rs. 988.01 Lakhs in previous year in value and [illegible] MT as compared to [illegible] MT in volume. During the year under review, there is a marginal reduction in Company's sales due to overall slackness in the demand of packing material user industry particularly [illegible] industry and also slow down in the economy. But your Directors are hopeful that there is scope for improvement in market situation.

Inspite of the lower sales recorded in the year, your Directors are happy to inform that the company has improved better margins due to increase in share of value added products as evident from the fact that the profit before tax is increased by [illegible]. However, in order to

[illegible]

DIVIDENDS :
In view of continued good performance of the company the directors are pleased to recommend payment of dividend of Rs 1.00 per share subject to TDS [illegible] for the year 2001-02 which if approved by the shareholders at the forthcoming Annual General Meeting will be paid in accordance with the rules applicable at that time.

FUTURE OUTLOOK
Plastics are versatile material and flexible packaging in which your company is engaged is showing a double digit growth continuously. Your Company with two upgraded high tech plants is well placed to take advantage of this growth area. It has been endeavour of the management to work continually towards developing new areas / market, offer technically improved and superior product. Management has always been in look for new market for its high value Nylon based film.

With edible oil demand on domestic consumption picking up and sale of oil in loose practically nil and substituted with packaged oil, the demand for the company's product i.e. Multi Layer Film is showing robust growth.

Company is doing well in newly developed market of Vacuum Pouches for export goods. As demand for Plastics and Packaging material is on rise, the consistent effort in line competition in the superior product indicates bright future for the Company.

FIXED DEPOSITS
During the year under review, your company has not accepted any Deposits from Public / Members.

CAPITAL EXPENDITURE
The company has spent Rs. 16.09 Lakhs in purchasing new machineries and balancing equipment to increase productivity as well as quality of factory.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:
Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure 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

[illegible] made by the Statutory Auditors [illegible] in the notes to the accounts [illegible] self-explanatory.

PARTICULARS OF EMPLOYEES

None of the employees is drawing a remuneration [illegible] as specified under Section 217(2A) of the Companies Act, 1956.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 [illegible] of the Articles of Association of the company, Sri [illegible] Bhasker [illegible] retires by rotation and is eligible, offers himself for re-appointment.

AUDITORS

The auditors of the company M/s. [illegible] & Co., Chartered Accountants, Hyderabad, retire at conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.

ii) the directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that period.

iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

iv) the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to all staff members for their contribution towards growth of the company and Bankers viz. State Bank of India for their support and also place on record their appreciation for the continuing support extended by the Shareholders.

For and on behalf of the Board

Sd/-
PREM K [illegible]
MANAGING DIRECTOR

HYDERABAD
2[illegible]th June, 2002