

17th ANNUAL REPORT 2003 - 04

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RAJ

packaging industries ltd.



BOARD OF DIRECTORS

Shri U.C. Bhandari

Shri Ramesh Chandra Singhi

Shri Rajendra Kankaria

Shri Suresh Chandra Bapna

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

CIL Securities Ltd.
214, Ragahvaratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001.

You can E-mail us at: hyd2_rajpack@sancharnet.in



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth 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 Tuesday, the 28th September, 2004 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March 2004, 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 Shares.
3. To appoint a Director in place of Shri. Rajendra Kankaria, 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 modification, the following as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri. Suresh Chandra Bapna, who was appointed as an Additional Director of the company by the Board of Directors pursuant to the provisions of section 260 of the Companies Act, 1956 and who holds office up-to the date of Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

"RESOLVED that pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of association of the Company be altered by adding a new article No. 89A after existing article 89 and shall be read as follows"

"Article No.89A: PASSING OF RESOLUTIONS BY POSTAL BALLOT

The company may, notwithstanding anything contained in the Articles of Association of the Company, pursuant to the provisions of Section 192A of the Companies Act, 1956 and in terms of the Companies (Passing of the resolution by Postal Ballot) Rules 2001, including any statutory modifications for the time being in force or re-enactment there-of or any amendments made thereto from time to time and in case of Resolutions as the Central Government may notify from time to time to be conducted only by Postal Ballot, shall get the said Resolutions passed by means of a Postal Ballot instead of transacting the business in the General Meeting of the Company."

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

"RESOLVED that pursuant to section 163(1) and other applicable provisions, if any, of the Companies Act, 1956 the consent of the Company be and is



hereby accorded to the Board of Directors of the Company for keeping the Register of members along with index thereto, which are to be maintained under section 150 and 151 of the Act, at the office of the Company's Share Registrars & Transfer Agents, CIL Securities Limited situate at 214, Raghavarathna Towers, Chirag Ali lane, Abids, HYDERABAD - 500 001."

"RESOLVED FURTHER THAT the Managing Director of the company be and is hereby authorised to intimate the Registrar of Companies, Andhra Pradesh, Hyderabad in this regard."

By the Order of the Board of Directors

HYDERABAD
27th July, 2004

Sd/-
PREM KANKARIA
MANAGING DIRECTOR

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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to bring their copy of the Annual Report to the Meeting along with the attendance slip duly filled in for attending the meeting and sign at Registration counter at the venue of the meeting.
3. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.
4. Members are requested to intimate to the Company at its registered office any change of address quoting their Folio Number(s).
5. The Share Transfer Books and Register of Members will remain closed from 20th September 2004 to 28th September 2004 (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 on Equity Shares as recommended by the Board of Directors, if declared at the meeting, will be paid on or after 28th September' 2004 and payable to those shareholders whose names shall appear on the Company's Register of Members on 28th September, 2004. In respect of Shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on 19th September, 2004, for this purpose.
8. 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 Form 2B.



INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

(i) Shri. Rajendra Kankaria:

Shri Rajendra Kankaria is a Fellow member of the Institute of Chartered Accountants of India. He is a Hyderabad based practicing Chartered Accountant and has been in the profession for the last 20 years. He was inducted into the Board of the Company as Promoter Director in 1987 and since then he has been associated in bringing the Company to this stage and instrumental to make the Company a Public limited. The Company has been receiving, on many occasions, valuable suggestions from him in the fields of Taxation, Finance and Accountancy.

(ii) Shri. Suresh Chandra Bapna:

Shri. Suresh Chandra Bapna is appointed as a Director of the company with effect from 27th July'2004. He is a post-graduate in pharmacy and having vast experience of Research and Development of various formulations, modernizing and sophistication in the Pharmaceutical Technology. He has served in companies like Hoechst Pharmaceuticals, Roche Products, Rhone Poulenc India Ltd and Lupin Laboratories Ltd and retired from the Company as an Associate Director (Works). Presently he is working as an Administrator of M/s Seth Nandlal Dhoot Hospital, Aurangabad. He is also the President of Marathwada Industries Association and Marathwada Pharmaceutical Manufacturers Association and Vice president of Indian Pharmaceutical Association.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) OF THE COMPANIES ACT, 1956 FOR ITEM NOS.5, 6 & 7 OF THE ACCOMPANYING NOTICE DATED 27TH JULY' 2004

ITEM NO.5

The Board of Directors appointed Shri. Suresh Chandra Bapna as an Additional Director of the Company with effect from 27th July' 2004 in order to comply with the requirement of appointing independent directors on the board and to constitute various committees as per the corporate governance code. He vacates office of Directorship at this Annual General Meeting by virtue of provisions of section 260 of the Companies Act, 1956 and the Articles of association of the Company. The notice under Section 257 of the said Act has been received from a member proposing the name of Shri. Suresh Chandra Bapna as a candidate for the office of the Director of the Company. Shri Suresh Chandra Bapna carries with him vast experience and administrative capabilities and the Company will benefit of his advice.

The Directors recommend this resolution for approval. None of the Directors, except Shri Suresh Chandra Bapna, is concerned or interested in the resolution.

**ITEM NO.6**

The insertion of new Article 89A is purely consequential to the introduction of sections 192A of the Companies Act, 1956 which stipulates that all listed public limited companies have to transact certain matters as mentioned in the Companies (Passing of the resolution by Postal Ballot) Rules 2001, only by means of a postal ballot instead of transacting in General Meeting. Further, the company may also transact other businesses through postal ballot instead of transacting the same in General Meeting. So, in order to avail the benefit under the said section, the insertion of new Article is compulsory and requires approval of members by way of Special Resolution. As such the matter is included in the notice.

The Directors recommend this resolution for approval. None of the Directors is concerned or interested in the resolution.

ITEM NO.7

Under the provisions of the Section 163 of the Companies Act, 1956 certain documents, such as the Registers, indexes of members, Annual Returns etc. have to be kept at the Registered Office of the Company, but the Company can by a Special Resolution authorise that all or any of such Registers, Indexes and other documents may instead of being kept at the Registered Office be kept at any other place within the City, in which the Registered Office of the Company is situated.

Since, the Company has appointed CIL Securities Limited, Hyderabad as its Registrars and Share Transfer Agents in accordance with SEBI circular D&CC/CIR-15/2002 Dated 27th December 2002, it is necessary on the part of the company to keep the registers required to be maintained under section 150 and 151 of the Companies Act, 1956 with CIL securities Limited, which amounts to maintaining of them at a place other than registered Office of the Company. As such, the approval of the members is hereby sought by a Special resolution for maintaining the aforesaid Registers with CIL Securities Limited situate at 214, Raghavaratna Towers, Chirag Ali lane, Abids, HYDERABAD - 500 001.

The Directors recommend this resolution for approval. None of the Directors is concerned or interested in the resolution.

By the Order of the Board of Directors

HYDERABAD
27th July, 2004

Sd/-
PREM KANKARIA
MANAGING DIRECTOR



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report and Audited Accounts of The Company for the year ended 31st March 2004.

FINANCIAL RESULTS

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

	(Rs.in lacs)	
	2003-04	2002-03
Sales & Other Income	869.94	839.16
Operating Profit (PBITD)	90.98	94.75
Interest	6.03	7.05
Profit before Depreciation and Taxes (PBDT)	84.95	87.70
Depreciation	28.29	27.96
Profit Before Tax	56.66	59.74
Provision for Tax		
- Current Tax	21.25	23.12
- Deferred Tax	(3.63)	(0.71)
Profit After Tax	39.04	37.33
Prior Period adjustments	2.98	—
Profit after Prior Period Adjustments	36.06	37.33
Balance Brought forward	59.00	57.50
Amount Available for appropriations	95.06	94.83

APPROPRIATIONS

Your Directors recommended appropriations as under :

Proposed Dividend @ Rs 0.70 per share	27.79	31.76
Corporate Dividend Tax	3.56	4.07
Balance Carried forward	63.71	59.00
Total :	95.06	94.83

PERFORMANCE:

During the year under review, your company has achieved a Turnover at Rs. 869.94 lakhs as compared to Rs. 839.16 lakhs in previous year in value and 1030 M.T as compared to 966 M.T in volume. The Company's sales marginally increased by 3.67 % in value terms and 6.63% in volume terms due to the constructive efforts made by the management in-spite of overall depressed prices of packaging material and increased prices of Raw materials. This has been possible because of adopting strategies like changing product mix and concentrating more in value added structure.

Your management will continue their effort in developing various new structures of films, changing product mix and concentrating more in value added structure to maintain lead position in the market.

**DIVIDENDS:**

In view of continued good performance of the company the directors are pleased to recommend payment of dividend of Rs. 0.70 per share (Rs.0.80 previous year) for the year 2003-04 which, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid in accordance with rules applicable at that time.

FIXED DEPOSITS

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

CAPITAL EXPENDITURE

The company has spent Rs. 0.81 Lakhs in installing some new computers etc. to speed up the operations.

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 employees is drawing remuneration in excess of the limits specified in section 217(2A) of the Companies Act, 1956.

DIRECTORS

In accordance with the Companies Act, 1956 and Clause 102 of the Articles of association of the company, Shri Rajendra Kankaria, retire by rotation and being eligible, offers him-self for reappointment.

AUDITORS

The auditors of the company M/s. S.SINGHVI & Co., Chartered Accountants, Hyderabad retires at conclusion of this Annual General Meeting and being eligible, offers them-selves for reappointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with Stock Exchanges, a Management Discussion and Analysis Report and a Report on Corporate Governance are given as Annexure 'B' and 'C' respectively, to this report.

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 explanation relating to material departures;
- ii) 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 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 Banker 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

HYDERABAD
22nd June, 2004

Sd/-

PREM KANKARIA
MANAGING DIRECTOR



ANNEXURE - 'A' TO DIRECTORS' REPORT

ANNEXURE - 'A'

Particulars required under the companies (disclosures of particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of Energy

a. Energy Conservation measures taken

Company has put capacitors at various points to regulate / maintain power factor.

FORM - A

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

A. Power & Fuel Consumption		2004	2003
1. Electricity			
a. Purchased			
Units	- KWH	5,78,547	4,69,377
Total Cost	- Rs.	25,71,644	19,74,443
Average Rate / Unit	- Rs.	4.45	4.20
b. Own Generation			
Through Diesel Generator			
Units	- KWH	1,44,240	2,99,595
Total Cost	- Rs.	13,28,458	20,90,409
Units per Unit of Fuel		2.57	2.91
Cost / Unit	- Rs.	9.21	6.98

B. Consumption of electricity Per Unit of Production i.e. for finished product

Electricity (KWH) per K.G of Finished Product.	0.70	0.79
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C. Research & Development.

- The Company has constantly changing input mix to produce superior product.
- Changed equipments to optimize use of costly inputs whereby reducing cost of production and increasing profitability.

FORM - B

(Form of Disclosure of particulars with respect to Technology Absorption & Foreign Exchange Earnings & Outgo)

	2004	2003
Research & Development (R & D)	Nil	Nil
Technology absorption, adoption and innovation	Nil	Nil
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo (Rs. in Lakhs)	101.89	128.15