

22nd ANNUAL REPORT 2008-09

REPORT



RAJ

packaging industries ltd.

BOARD OF DIRECTORS

Shri U.C.Bhandari	:	Director
Shri Ramesh Chandra Singhi	:	Director
Shri Rajendra Kankaria	:	Director
Shri Suresh Chandra Bapna	:	Director
Shri V.S.N.Murthy	:	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.
 Ph.No. (040) - 23392024
 Fax No.(040)- 23399033
 Email: hyd2_rajpack@bsnl.in
 Website: rajpack.com

WORKS

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

BANKERS

State Bank of India

Saifabad Branch, Hyderabad
 Andhra Pradesh, India.

AUDITORS

C.P.RANKA & CO.

Chartered Accountants
 Secunderabad,
 Andhra Pradesh, India.

REGISTRAR & SHARE TRANSFER AGENT

CIL Securities Ltd.

214, Raghavaratna Towers,
 Chirag Ali Lane,
 Hyderabad 500 001.
 Ph.No. 23203155 Fax. 23203028

22nd ANNUAL GENERAL MEETING

Day	:	Saturday
Date	:	19 th September, 2009
Time	:	11.30 A.M.
Venue	:	Hotel Inner Circle, Lane beside Saboo Motors, Raj Bhavan Road, Hyderabad. – 500 082

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RAJ

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of RAJ PACKAGING INDUSTRIES LIMITED will be held at Hotel Inner Circle, Lane Beside Saboo Motors, Raj Bhavan Road, Hyderabad on Saturday, the 19th September, 2009 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2009, Profit & Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' there-on.
2. To declare dividend on Equity Share.
3. To appoint a Director in place of Shri. Ramesh Chandra Singhi, who retires by rotation and is being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Rajendra Kankaria, who retires by rotation and is being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

By the Order of the Board of Directors
 For **RAJ PACKAGING INDUSTRIES LTD.**

Place : HYDERABAD
 Date : 16th June, 2009

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 Share Ledger Folio Number(s).



5. The Share Transfer Books and Register of Members will remain closed from 12th September 2009 to 19th September 2009 (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 19th September' 2009 and payable to those shareholders whose names shall appear on the Company's Register of Members on 11th September, 2009. 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 11th September, 2009, 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:

Name of the Director	Ramesh Chandra Singhi	Rajendra Kankaria
Date of Birth	11-12-1954	13-03-1959
Nationality	Indian	Indian
Date of appointment on the Board	18-06-1987	22-06-1987
Qualifications	B.Sc.	B.Com (Hons.), LLB, F.C.A.
Expertise in functional Area	Engaged Marketing in Electrical Goods	Expertise in Matters of Finance, Taxations and other Commercial Areas
Number of shares held in the Company	1,78,600	2,00,200
List of directorships held in other companies	Singhi Finvest Pvt. Ltd.	Kankaria Leasing & Finance Pvt.Ltd.
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.09	None	None

By the Order of the Board of Directors
For **RAJ PACKAGING INDUSTRIES LTD.**

Place : HYDERABAD
Date : 16th June 2009

PREM KANKARIA
MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report and Audited Accounts of the Company for the year ended 31st March 2009

FINANCIAL RESULTS

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

(Rs.in lakhs)

Particulars	2008-09	2007-08
Sales & Other Income	2051.35	1828.09
Operating Profit (PBIDT)	191.54	175.63
Interest & Finance Charges	33.50	28.94
Profit before Depreciation and Taxes (PBDT)	158.04	146.69
Depreciation	35.81	35.85
Profit Before Tax	122.23	110.84
Provision for Tax -		
Current Tax-	48.92	42.72
Deferred Tax -	(6.02)	(5.83)
Fringe Benefit Tax	0.44	0.43
Profit After Tax	78.89	73.52
Profit after Prior Period Adjustments	78.89	73.52
Balance Brought forward	119.38	92.30
Amount Available for appropriations	198.27	165.83

APPROPRIATIONS

Your Directors recommended appropriations as under:		
Proposed Dividend @ Re.1/- per share (Previous yr. Re.1/- per share)	39.70	39.70
Corporate Dividend Tax	6.75	6.75
Balance Carried forward	151.82	119.38
Total :	198.27	165.83

PERFORMANCE

During the year under review, your company has achieved a Turnover at Rs.2040.47 Lacs as compared to Rs.1823.78 Lacs in previous year in value and 2054 M.T as compared to 2023 M.T in volume. The PBT of the company stood at Rs. 122 Lacs as compared to Rs. 111 Lacs in previous year.

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 and to increase not only volume but also profit margins.

DIVIDENDS

In view of good performance of the company the directors are pleased to recommend payment of dividend of Re.1/- per share (Re.1/- previous year) for the year 2008-09 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 your company has not accepted any Deposits from Public / Members.

CAPITAL EXPENDITURE

The company has spent Rs.14.19 Lacs on fixed assets during the year and advance of Rs. 67 Lacs has been paid towards orders place for new machineries

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

Some of the amount sent by DD as Dividend has been return back to the company due to change of address of share holders or non availability. Despite the reminder, the amount remain unclaimed and lying in separate account in the bank. Step is being taken to transfer these amount in Investor Education & Protection Fund as per rules.

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 Ramesh Chandra Singhi, and Shri Rajendra Kankaria retire by rotation and being eligible, offers him-self for reappointment.

AUDITORS

The auditors of the company M/s. C.P.RANKA & Co., Chartered Accountants, Secunderabad 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

Place : HYDERABAD

Date : 16th June, 2009

PREM KANKARIA
MANAGING DIRECTOR



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

- i) 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

		2008-09	2007-08
1.	Electricity		
	a. Purchased		
	Units - KWH	1201992	1217760
	Total Cost - Rs.	3832618	3155185
	Average Rate/ Unit - Rs.	*3.19	*2.59
	b. Own Generation		
	Through Diesel Generator		
	Units - KWH	131890	99282
	Total Cost - Rs.	1761662	1129612
	Units per Unit of Fuel	2.90	3.00
	Cost / Unit - Rs.	13.36	11.38

* Due to power subsidy on expansion available to the company.

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

Electricity (KWH) per K.G of Finished Product.	0.65	0.66
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C. Research & Development.

- i). The Company has constantly changing input mix to produce superior product.
- ii) 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)

	2008-09	2007-08
Research & Development (R & D)	Nil	Nil
Technology absorption, adoption and innovation	Nil	Nil
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo (Rs. in Lakhs)	625.87	572.59

ANNEXURE – 'B'

MANAGEMENT'S DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis report covering the performance and outlook of the company is given here below;

a) FORWARD LOOKING STATEMENT

This report contains management's perception of business activities of the company and also analysis of financial condition, performance and operation of the company describing its objectives, expectations and predictions which may be forward looking within the meaning of applicable laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events.

Important factors that could influence the company's operations include various internal as well as external factors such as government's policy changes which may not be in the hands of the management and company. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position and financial results, are forward-looking statements. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The company's actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

b) INDUSTRY STRUCTURE AND DEVELOPMENTS

RPIL is engaged in manufacture of multilayer co-extruded plastic film and flexible packaging material. It is part of plastic packaging material industry. In India, packaging industry has operated mainly as small and medium scale industry. The packaging material is important to several products. So this industry is growing very rapidly not only at its own but also because of growth of several industries which are using packing material.

There have been tremendous changes in the industry. There has been technological up gradation both in the machines and processes, there has been advent of new generation of raw materials, there has been changes in users industry asking for more and more quality and sophisticated products. This has resulted into several new players coming into industry, existing players expanding and creating new capacities and small industries migrating to medium level thus more numbers are adding to the organized sector bringing some discipline in the industry.

c) REVIEW OF THE ECONOMIC SCENARIO

The Indian economy began the year 2008-09 on a confident note. Sound economic fundamentals, encouraging performance by the country's infrastructure and core sectors and buoyant global economic conditions were conducive for maintaining the investment momentum. However, the global financial turmoil emerging from sub-prime crisis in the US,