

SILVER JUBILEE
25th
ANNUAL REPORT - 2011-12



Raj

packaging industries ltd.

**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
Dr. R.R. Pujari	:	Director
Shri Prem Kankaria	:	Managing Director

*Since Resigned

25th ANNUAL GENERAL MEETING

Day	:	Saturday
Date	:	29 th September, 2012
Time	:	10.30 A.M.
Venue	:	Hotel Inner Circle, Lane beside Saboo Motors, Raj Bhavan Road, Hyderabad. – 500 082

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REGISTERED OFFICE

6-3-1090/C-4,
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Hyderabad-500 082
Andhra Pradesh, India.
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Fax No.(040)- 23399033
Email : hyd2_rajpack@bsnl.in
Email : info@rajpack.com
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. 23202465/66612093, Fax. 23203028

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Fifth 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 29th September, 2012 at 10.30 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, Profit & Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' there-on.
2. To appoint a Director in place of Shri. V.S.N.Murthy, who retires by rotation in terms of Article 103 of the Articles of Association and is being eligible, offers himself for re-appointment.
3. To reappoint M/s. C.P.Ranka & Co., Chartered Accountants, bearing ICAI Registration No. 119375W as auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution:

“RESOLVED THAT Dr. R.R.Pujari, 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 Article 94 of the Article of Association of the company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider and if thought fit to pass with or without modification, the following resolution as an Special 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. Prem Kankaria be and is hereby reappointed as Managing Director of the Company with effect from 01-04-2012 for a further period of three years on such consolidated salary and perquisites as have been set out hereunder:

1. Salary Rs. 2,50,000/-

In the range of Rs. 2,50,000/- to Rs. 3,50,000/- Per month. The yearly increment to be decided by board of directors with recommendation of Remuneration Committee.

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.

**RAJ****packaging industries ltd.**

3. Medical expenses incurred for self and family including dependent father and mother, 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 every 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. He shall be eligible for the benefits under Company's contribution to Provident Fund and Superannuation and Gratuity in accordance with the Company's practices and rules from time to time.
7. Use of Company's car with driver for official purpose.
8. Telephone facility at residency.
9. Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.
10. Sitting fee will not be paid for attending the Company's Board/committee Meetings.
11. He shall be entitled to leave as per the rules of the Company. Encashment of unutilized leave at the end of his tenure shall not be consider as a perquisite for the purposes of ceiling on remuneration prescribed in the Companies Act 1956.
12. The employment contract will be valid and supercede any and all prior oral or written agreements pertaining, to compensation and conditions of employment. The employment shall continue until terminated by either party as set out in this agreement.

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year Sri Prem Kankaria, Managing Director be paid a monthly remuneration not exceeding Rs.2,50,000/- apart from contributions made to the provident fund and gratuity and leave encashment as minimum remuneration in accordance with Part B of Section II of Schedule XIII of the Companies Act, 1956”.

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

Place : Hyderabad
Date : 30th May, 2012

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 24th September 2012 to 29th September 2012 (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. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amount of dividends remaining unclaimed for a period of seven year are to be transferred to investor Education and Protection Fund (IEPF).
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.
9. Important Communication to Members regarding registering e-mail address please refer page no. 45 of this Annual Report

ANNEXURE TO THE NOTICE

Item No. 2

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	V.S.N.Murthy
Date of Birth	30-11-1939
Nationality	Indian
Date of appointment on the Board	27-06-2007
Qualifications	M.Com, ICWA (Intermediate)
Expertise in functional Area	Rich Experience in Project Appraisal, Project Financing, Equity participation etc.
Number of shares held in the Company	—
List of directorships held in other companies	1.IND Bharat Commodities Ltd. 2.Kallam Spinning Mills Ltd. 3.Sarvaraya Textiles Ltd. 4.Janapadu Hydro Power Project Ltd. 5.Shree Papers Ltd.
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.12	None

Explanatory statement pursuant to section 173(2) of the Companies Act 1956.

Item No.4

Dr.R.R.Pujari was appointed as additional director of the company on 07th November,2011 under Article 94 of the Article of Association of the company. As per the provisions of Section 260 of the Companies Act,1956, Dr.R.R.Pujari hold office as director of the company only up to the date of the ensuing Annual General Meeting of the company.

Dr.R.R.Pujari is has done Doctorate and he is well versed in project finance, bank finance and he is also on the board of several company's and carries with him vast experience and knowledge. His valuable guidance will be available to the company for overall growth.

The Directors recommend this resolution for approval. None of the Directors, except Dr. R.R.Pujari, is concerned or interested in the resolution.

Item No. 5

Your company has attained new heights under the dynamic leadership of Managing Director Shri. Prem Kankaria. He was appointed as Managing Director for a period of five years w.e.f.1st April 2007. The Board of Directors re appointed Shri. Prem Kankaria as Managing Director for a period of three years commencing from 1st April 2012 on the terms, salary and perquisites as stated up in item No.5. The Directors recommended the resolution for adaptation. None of the directors except Shri. Prem Kankaria himself is interested in the Resolution.

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

Place : Hyderabad
 Date : 30th May, 2012

PREM KANKARIA
MANAGING DIRECTOR

CHAIRMAN'S SPEECH AT THE 25th ANNUAL GENERAL MEETING

Dear Share holders,

On behalf of the Board of Directors, I have great pleasure in welcoming you all to the 25th Annual General Meeting of your company. I am honored with proud privilege to address this meeting of shareholders of Raj Packaging which is SILVER JUBILEE YEAR.

The Audited Accounts along with Director's and Auditor's report there on for the year ended 31st March, 2012 have been with you for some time and with your permission, I shall take them as read.

INDUSTRIAL STRUCTURE AND ECONOMIC SCENE

RPIL is engaged in manufacture of multilayer co-extruded plastic film and flexible packaging material. It is part of plastic packaging material industry.

The plastic packaging industry in India, traditionally are operating as small and medium scale industry. There has been mushroom like growth of the small processing industries due to not very high investments and comparative less entry barriers. Unregulated growth has resulted in growth of unorganized sector which is out of purview of regulatory environment resulted in overcapacity distorting the balance between demand and supply.

The Global Economy continues to face challenges on the road to recovery. The anticipated recovery has been far and fragile. Some recovery which was noticed in early 2011 has lost its momentum at the end mainly due to debt crisis in Euro zone, volatility and uncertainty in corrective fiscal measures.

Near term, the growth prospects for 2012-13 remain uncertain.

The Indian economy despite witnessing challenging times experienced much balanced and positive growth as compared to global economies in the year 2010-11. But tempo was lost. Since then the Indian economy has seen continuous slow down. The growth rate of Indian Economy in the year 2011-12 was 6.25% lowest in last so many years.

The slow down in 2011-12 was seen in all the major sectors of the economy as compared to the previous year. Industrial sector growth was 3.4% only remained dismissal due to supply- side bottlenecks particularly essential raw materials, acute power shortage and less investment in capital goods industry signifying less capacity augmentation. The situation in the state of AP is much more dismissal due to acute power shortage which is as high as almost 40% to 50%.

The inflation rate is very high particularly food inflation thereby reducing the disposal income in the hands of the people and resulting in high interest rate regime which is effecting not only profitability of most of the industries but forcing postponement of new investments.

Overall the industrial climate is not encouraging, confidence level is very low, policy decisions are not forthcoming thus delaying investment in essential infra structure without that it is futile to think of industrial growth.

CORPORATE PERFORMANCE FOR 2011-12 & PROSPECTS FOR CURRENT YEAR

The performance of the company for the year 2011-12 particularly profitability has not been good. The year has been quite bad in last so many years of good performances.

Though, there has been marked improvement in capacity utilization by RPIL after the expansion has been completed in the previous year. The company has been able to achieve higher output per hour

and also per unit of power with new plant. There has been marked improvement in the quality of film which we are supplying. The new plant and machinery has given strength to the company to stand in the market amidst keen competition.

The company has been able to improve quality of printing of film with new printing machine with auto control systems and also improve performance and reducing the wastage with ARC and Turret System.

There has been notable improvement in the product which the company is capable of delivering to the customers whether it is oil film or lamination film.

The company because of inherent strength and dedicated efforts of Management has, in spite of all odds, been able to reverse the trends in just concluded Quarter ended June 2012. The turnover of the company Rs 870.57 lacs is all time high and achieved profit of Rs 16.79 lacs.

The company is confident of maintaining the same tempo provided business environment is good and there are no external disturbances.

CONCLUSION

I take this opportunity to express my sincere thanks to my colleagues on the Board for their wise counsel and guidance and valuable inputs.

I also greatly value the continued support and patronage of our esteemed customers which is the base of any industry.

I wish to thank our banker State Bank of India for their continued support and faith and other institutions for their help and support.

I also wish to place on record the dedication and hard work of our staff and employees, without whose efforts it would have been impossible to achieve this success.

Before I conclude, I wish to sincerely thank our valuable shareholders for their support and faith in the Board of Directors and Management of the company. We will continue to strive hard to justify your confidence in your company.

Thanking you.

CHAIRMAN

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report and Audited Accounts of the Company for the year ended 31st March 2012

FINANCIAL RESULTS

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

(Rs.in lakhs)		
Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Sales & Other Income	2905.75	2638.86
Operating Profit (PBDT)	210.67	197.99
Interest & Finance Charges	155.65	119.78
Profit before Depreciation and Taxes (PBDT)	55.02	78.21
Depreciation	65.78	65.90
Profit Before Tax	(10.76)	12.31
Provision for Tax -		
Current Tax-	-	2.26
Deferred Tax	(8.80)	8.16
MAT Credit Entitlement	-	(2.26)
Profit After Tax	(1.96)	4.15
Profit after Prior Period Adjustments	(1.96)	4.15
Balance Brought forward	200.93	196.63
Amount Available for appropriations	198.97	200.78

APPROPRIATIONS

Your Directors recommended appropriations as under:		
Proposed Dividend Nil	-	-
Corporate Dividend Tax	-	(0.15)
Balance Carried forward	198.97	200.93
Total :	198.97	200.78

PERFORMANCE

During the year under review, your company has achieved a Turnover of Rs.2895.97 Lacs as compared to Rs.2517.72 Lacs in previous year in value and 2996 M.T as compared to 2668 M.T in volume. The PBDIT for the year stood at Rs.210.67 Lacs as compared to Rs. 197.99 Lacs in previous year. The PBT of the company stood at Rs.(10.76) Lacs as compared to Rs. 12.31 Lacs in previous year. There has been significant decline in the net profit due to enhanced interest and depreciation after expansion.

Your management will continue their effort in improving the performance of the company to bring back on track by expanding market, 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

The Board of Directors have not recommended any dividend for the financial year ended 31st March, 2012.

FIXED DEPOSITS

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

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

Some of the amount sent by DD as Dividend has been returned back to the company due to change of address of share holders or non availability. Despite the reminder, the amount remain un claimed and lying in separate account in the bank. The amount of Rs. 78,766/- being unclaimed dividend has been transferred during the year to Investor Education and Protection Fund.

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 103 of the Articles of association of the company, Shri V.S.N.Murthy retire by rotation and being eligible, offers him-self for reappointment.

In accordance with the Companies Act, 1956 and Clause 94 of the Articles of association of the company, Dr.R.R.Pujari newly inducted to the board as Additional Director w.e.f. 07.11.2011. He vacates office of Directorship at this Annual General Meeting, a resolution seeking reappointment as Director is being moved at the ensuing Annual General Meeting.

Shri Prem Kankaria has been the Managing Director of the company since its inception. His term of office as Managing Director has expired and the Board of Director reappointed him for a term of further 3 years. A resolution seeking confirmation of the shareholders for his appointment as Managing Director is being moved to the ensuing Annual General Meeting of the Company.

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, offer them-selves for re-appointment. The company has received a letter from the auditors to this effect u/s 224 (1-B) of the Companies Act, 1956.