

26th ANNUAL REPORT 2012-13

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RAJ

packaging industries ltd.

BOARD OF DIRECTORS

Shri Suresh Chandra Bapna : Director
 Shri V.S.N.Murthy : Director
 Dr. R.R. Pujari : Director
 Shri Prem Kankaria : Managing Director

26th ANNUAL GENERAL MEETING

Day : Monday
 Date : 30th September, 2013
 Time : 11.30 A.M.
 Venue : Survey No. 715,
 Kondamadugu Village,
 Bibinagar Mandal,
 Nalgonda District – 508126

REGISTERED & CORPORATE 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
 Email : info@rajpack.com
 Website: rajpack.com

WORKS

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

Contents Page Nos.

Notice	3
Chairman's Speech	6
Directors' Report	8
Corporate Governance	17
Audit Report	24
Balance Sheet	30
Profit & Loss Account	31
Schedules (1 to 23)	32
Cash Flow Statement	46
ECS Mandate	48
Proxy Form and Attendance Slip	51

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 Sixth Annual General Meeting** of the Members of **RAJ PACKAGING INDUSTRIES LIMITED** will be held at **Survey No. 715, Kondamadugu Village, Bibinagar Mandal, Nalgonda District – 508126** on Monday, the **30th September, 2013 at 11.30 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, 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. Suresh Chandra Bapna, 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.

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

Place : Hyderabad
Date : 29th May, 2013

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 25th September 2013 to 30th September 2013 (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. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred to unpaid or unclaimed dividends for the financial years 2002-03 to 2004-05, to the **Investor Education and Protection Fund** (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th September, 2012 (date of last Annual General Meeting) on the Ministry of Corporate Affairs website.
10. Important Communication to Members regarding registering e-mail address please refer page no 49 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	Sri Suresh Chandra Bapna
Date of Birth	28-09-1941
Nationality	Indian
Date of appointment on the Board	27-07-2004
Qualifications	M.Pharma
Expertise in functional Area	Vast experience in Manufacturing and Industrial activity.
Number of shares held in the Company	—
List of directorships held in other companies	None
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.13	None

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

Place : Hyderabad
Date : 29th May, 2013

PREM KANKARIA
MANAGING DIRECTOR

CHAIRMAN'S SPEECH AT THE 26th ANNUAL GENERAL MEETING

Dear Share holders,

On behalf of the Board of Directors, I have great pleasure in welcoming you all to the 26th Annual General Meeting of your company . I am honored with proud privilege to address this meeting of shareholders of Raj Packaging .

The Audited Accounts along with Director's and Auditor's report there on for the year ended 31st March, 2013 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.

Industry making Flexible packaging material is known to be a sunrise industry, having tremendous growth prospects. But on other hand it being low investment and no entry barrier it has seen mushrooming growth particularly unorganized sector which is out of purview of regulatory environment. This has resulted into over capacity and unhealthy competition.

The World Economy continues to face challenges on the road to recovery which is proving to be long and difficult journey. The year 2011 and 2012 had already been a harbinger for global macro-economic slowdown and conditions worsened in the year 2013. The current year 2013 has so far been fragile , full of uncertainty and growth very poor.

The Indian economy despite witnessing challenging times experienced much balanced and positive growth as compared to global economies in the year 2010-11. But in the last financial year the whole advantage was lost and since then the Indian economy has slowed down considerably during the year 2013 with the Real GDP growth estimated at 5% for the year 2012-13 , a lowest in the decade .

With increasing global integration, the Indian economy was impacted by global uncertainties, while at the same time faced significant domestic challenges of persistent and high inflation, tight monetary conditions resulting into high interest rate regime and low investment. The problem is compounded by delays in policy making particularly in infra structure like power where entire India is facing acute power shortage - the main driver for industrial growth.

The key driver of economic activity- the investment growth has decelerated to almost 2.5% in the year 2012-13 as compared to as high as 9% in earlier years.

Compounding the problem is Current Account Deficit and Fiscal Deficit which seems to become unmanageable as Government and its agencies are seemed to be working at cross purposes.

The problem has become so acute that Indian Currency viz a viz Dollar and other foreign currencies has lost almost 15% in last two-three months. This has been sharpest depreciation ever and most as compared to other countries.

Now adding to our local inflation, we are importing inflation as cost of all essential raw materials particularly oil and energy will go up and will have cascading effects on prices.

As 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.

This has been general scenario of economy, our state of AP has seen much worse conditions firstly due to local agitation for formation of Telangana state there has been disruption in activities several times and secondly acute power shortage faced by the state and consequently imposing of R & C measures by the Power Company. The industries were subjected to as high 50% power cut during most part of the year. The penalties were imposed to the extent of 6-7 times for overdrawing thus breaking the backbone of the industries.

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 2012-13& PROSPECTS FOR CURRENT YEAR

The performance of the company for the year 2012-13 particularly profitability has not been good. The year has been quite bad in last so many years of good performances.

Your company is established and has inherent capabilities to tide over such adversities.

With dedicated management team, quality and established product and credibility, I am sure your company will bounce back sooner than later.

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 26th Annual Report and Audited Accounts of the Company for the year ended 31st March 2013

FINANCIAL RESULTS

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

(Rs.in lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Sales & Other Income	3159.67	2905.75
Operating Profit (PBDIT)	200.13	210.67
Interest & Finance Charges	140.71	155.65
Profit before Depreciation and Taxes (PBDT)	59.42	55.02
Depreciation	65.49	65.78
Profit Before Tax	(6.07)	(10.76)
Provision for Tax -		
Current Tax-	(1.81)	(8.80)
Deferred Tax		
MAT Credit Entitlement	(4.26)	(1.96)
Profit After Tax	(4.26)	(1.96)
Profit after		
Prior Period Adjustments		
Balance Brought forward	198.97	200.93
Amount Available for appropriations	194.71	198.97

APPROPRIATIONS

Your Directors recommended appropriations as under:		
Proposed Dividend Nil	-	-
Balance Carried forward	194.71	198.97
Total :	194.71	198.97

PERFORMANCE

During the year under review, your company has achieved a Turnover of Rs.3150.93 Lacs as compared to Rs.2895.97 Lacs in previous year in value and 2857 M.T as compared to 2996 M.T in volume. The PBDIT for the year stood at Rs.200.13 Lacs as compared to Rs. 210.67 Lacs in previous year. The PBT of the company stood at Rs.(6.07) Lacs as compared to Rs. (10.76) Lacs in previous year. The profitability of the company was hit mainly due to 46% increase in power cost, as compared to previous year.

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.

CAPITAL

The Company has made preferential allotment of 6,00,000 warrants convertible into equity shares on 22nd March, 2013 to the promoters and promoters group covered in the register maintained under Section 301 of the Act at a price of Rs. 24 fixed in accordance with the guidelines for preferential issue of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. During the year, 2,00,000 share warrants have been converted into equity shares of Rs. 10 each at a premium of Rs.14.

The amount raised has been utilized for meeting working capital requirements and towards general corporate purpose.

DIVIDENDS

The Board of Directors have not recommended any dividend for the financial year ended 31st March, 2013.

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. 11,526/- 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 Suresh Chandra Bapna retire by rotation and being eligible, offers him-self for reappointment.