

2013-14

27th

ANNUAL REPORT

2013 - 14

ANNUAL REPORT



RAJ

Packaging Industries Ltd.



**Reifenhauser - Kiefel IBC
3 Layer Blown Film Plant**

CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | |
|-----------------------------|--|
| 1. Mr. Prem Kankaria | - Managing Director (DIN: 00062584) |
| 2. Mr. V. S.N. Murthy | - Non Executive & Independent Director (DIN: 00021952) |
| 3. Mr. Suresh Chandra Bapna | - Non Executive & Independent Director (DIN: 0154834) |
| 4. Dr. R.R. Pujari | - Non Executive & Independent Director (DIN: 00018994) |

REGISTERED & CORPORATE OFFICE:

6-3-1090/C-4, Opp. Kapadia Lane
Raj Bhavan Road, Hyderabad-500 082
Telangana, India.
Ph.No. (040) – 23392024 / 25
Fax No.(040) – 23399033
Email : hyd2_rajpack@bsnl.in
Email : info@rajpack.com
Website: rajpack.com

WORKS:

Survey No. 715, Kondamadugu Village,
Bibinagar, Nalgonda Dist. Telangana, India.

BANKERS:

State Bank of India
SME Branch, Saifabad, Hyderabad.

AUDITORS:

NAC & Associates LLP (formerly C.P.Ranka & Co)
Chartered Accountants
Secunderabad, Telangana, India.

REGISTRAR & SHARE TRANSFER AGENT:

CIL Securities Ltd.
214, Raghavaratna Towers,
Chirag Ali Lane,
Hyderabad 500 001.
Ph.No. 23202465/66612093, Fax. 23203028

AUDIT COMMITTEE:

Mr. V. S.N. Murthy
Mr. Suresh Chandra Bapna
Dr. R. R. Pujari

NOMINATION & REMUNERATION COMMITTEE:

Mr. Suresh Chandra Bapna
Mr. V. S.N. Murthy
Dr. R. R. Pujari

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Mr. Suresh Chandra Bapna
Mr. V. S. N. Murthy
Dr. R. R. Pujari

LISTED AT:

BSE Limited.

ISIN: INE251H01024

WEBSITE: www.rajpack.com

INVESTOR E-MAIL ID: info@rajpack.com

CORPORATE IDENTITY NUMBER:

L25209AP1987PLC007550

27th ANNUAL GENERAL MEETING

Day : Saturday
Date : 27th September, 2014
Time : 11.00 A.M.
Venue : Hotel Inner Circle,
Lane beside Saboo
Motors, Raj Bhavan Road,
Hyderabad. – 500 082

Contents Page Nos.

Notice	2
Chairman's Speech	11
Directors' Report	13
Corporate Governance	21
Audit Report	35
Balance Sheet	41
Profit & Loss Account	42
Cash Flow Statement	43
Schedules (1 to 25)	44
ECS Mandate	60
Proxy Form and Attendance Slip	63

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of RAJ PACKAGING INDUSTRIES LIMITED will be held on Saturday, the 27th September, 2014 at 11.00 a.m. at **Hotel Inner Circle, Lane Beside Saboo Motors, Rajbhavan Road, Hyderabad, Telangana, India** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014, Profit & Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' there-on.
2. To reappoint M/s. NAC and Associates LLP (formerly known as C.P.Ranka & Co.), Chartered Accountants, bearing ICAI Registration No. 119375W as auditors of the company to hold office for a term of three years up to the conclusion of 30th Annual General Meeting to be held in the year 2017 subject to ratification at every Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Dr. R. R. Pujari (DIN - 00018994), a non-executive independent director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 01.04.2014 up to 31.03.2019."

4. To consider and if though it, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 21st Annual General Meeting held on 27th September, 2008 and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or amendments thereof) and Rules made there under, consent of the Shareholders be and is hereby accorded to the Board of Directors and its Committee(s), to mortgage or create charge on all or any of the immovable and movable properties (including pledge of securities held in subsidiaries/associates) of the Company, its subsidiaries and associates where so ever situated, present and future, and /or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank(s) or Financial Institution(s) situated within or outside India (hereinafter referred to as "the Lenders") to secure repayment of rupee term loans or foreign currency loans or

a combination of both lend, advanced or agreed to lend and advanced by the lender(s) to the Company either jointly or severally or in any other combination thereof, as the case may be, in terms of the loan agreement(s), entered into/ to be entered into by the Company with each of the lenders for the purpose of implementation of the project(s) of the Company

5. To consider and if though it, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the 21st Annual General Meeting held on 27th September, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or amendments thereof), consent of the shareholders be and is hereby accorded to the Board of Directors and its Committee(s) to borrow any sum or sums of money, from time to time, not exceeding at any time, a sum of Rs. 15 crores (Rupees Fifteen Crores Only) for the purpose of business of the Company notwithstanding, that such borrowing(s), together with the monies already borrowed by the Company (apart from temporary loans, if any obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.”

6. To consider and if thought it, to pass with or without modification(s), the following resolution as a Special Resolution:

“Resolved that a new Article 196 is being inserted which is as under:

196. “General Clause – Overriding effect of Companies Act, 2013”

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these Articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made there under, the provisions of Companies Act, 2013 and rules made there under shall override the provisions of these existing Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any.”

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

Sd/-

PREM KANKARIA
MANAGING DIRECTOR
(DIN : 00062584)

Place : Hyderabad
Date : 29.05.2014

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2014 to 27th September, 2014 (both days inclusive).
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by informing the Company or to M/s. CIL Securities Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
6. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 19.09.2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may vote physically in the Annual General Meeting and approach the Company for copy of Annual Report. The e-voting period will commence at 9.00 a.m. on 21.09.2014 and will end at 6.00 p.m on 23.09.2014. The Company has appointed Mr. Vivek Surana, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.

- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
- (i) For CDSL: 16 digits beneficiary ID,
- (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (Available on the Address label pasted in the cover and/or in the e-mail sent to the members) in the PAN field. ◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ◆ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - ◆ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - ◆ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - ◆ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - ◆ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ◆ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- ii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- iii) The voting period begins on 21.09.2014 at 9.00 A.M. and ends on 23.09.2014 at 6.00.P.M. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the 12.09.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- v). The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22.08.2014 for e voting purpose.
- vi). Mr. Vivek Surana, Practicing Company Secretary, C.P. No. 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- vii). The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - viii). The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.rajpack.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
 - ix). Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
7. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
 8. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
 9. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. CIL Securities Limited or to the Company immediately.
 10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. CIL Securities Limited or to the Company immediately.
 11. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
 12. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
 13. Pursuant to the provisions of Sections 123,124 and 125 of the Companies Act, 2013, the amount of dividends remaining unclaimed for a period of seven year are to be transferred to investor Education and Protection Fund (IEPF).
 14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Company in Form 2B.
 15. Pursuant to the provisions of Section 123, 124, and 125 of the Companies Act, 2013, the Company has transferred to unpaid or unclaimed dividends for the financial years 2005-06, 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 31st December,2013 (date of last Annual General Meeting) on the Ministry of Corporate Affairs website.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

Brief Details of Directors seeking re-appointment at this Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Dr. R.R.Pujari
Date of Birth	01-07-1954
Nationality	Indian
Date of appointment on the Board	07-11-2011
Qualifications	Ph.d in Derivatives – Master of Commerce Ph.d in Behavioural Science - CAIIB
Expertise in functional Area	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.
Number of shares held in the Company	NIL
List of directorships held in other companies	1. GKC Projects Ltd. 2. Hyperion Green Energy India Pvt. Ltd. 3. Velocity Networks Pvt. Ltd. 4. Celebrity Cricket League Pvt. Ltd. 5. Quaiattini Properties Pvt. Ltd. 6. Zerkalo Properties Pvt. Ltd. 7. Ardente Realtors Pvt. Ltd. 8. Kakatiya Energy Systems Pvt. Ltd.
Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.14	None