

29th

ANNUAL REPORT

2015-16



RAJ
PACKAGING INDUSTRIES LTD



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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. R.R. Pujari	- Non Executive & Independent Director	(DIN: 00018994)
Mr. V. S.N Murthy	- Non Executive & Independent Director	(DIN: 00021952)
Mr. Suresh Chandra Bapna	- Non Executive & Independent Director	(DIN: 00154834)
Mr. Prem Chand Kankaria	- Managing Director	(DIN: 00062584)
Ms. Neepa Kankaria	- Whole Time Director	(DIN: 06637083)
Mr. Pushp Raj Singhvi	- Additional Director	(DIN: 00347511)

Chief Financial Officer

Mr. M. Narsimha

REGISTERED & CORPORATE OFFICE:

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

CORPORATE IDENTITY NUMBER :

L25209AP1987PLC007550

AUDITORS

NAC & Associates LLP
Chartered Accountants
Secunderabad, Telangana, India.

SECRETARIAL AUDITOR

M/s. S. S. Reddy & Associates
Practicing Company Secretaries
Plot No.6-3-354/13, A1, Suryateja Apartments,
Hindi Nagar, Panjagutta, Hyderabad-500034

INTERNAL AUDITOR :

M/s. MGM & Co., Chartered Accountants

BANKERS

State Bank of India
SME Branch, Saifabad, Hyderabad

AUDIT COMMITTEE

Mr. Suresh Chandra Bapna
Mr. V. Suryanarayana Murthy
Dr. R. R. Pujari

NOMINATION & REMUNERATION COMMITTEE

Mr. Suresh Chandra Bapna
Mr. V. Suryanarayana Murthy
Dr. R. R. Pujari

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Suresh Chandra Bapna
Mr. V. Suryanarayana Murthy
Dr. R. R. Pujari

INDEPENDENT DIRECTORS COMMITTEE:

Mr. Suresh Chandra Bapna
Mr. V. Suryanarayana Murthy
Dr. R. R. Pujari

RISK MANAGEMENT COMMITTEE:

Mr. Suresh Chandra Bapna
Mr. V. Suryanarayana Murthy
Ms. Neepa Kankaria

REGISTRAR & SHARE TRANSFER AGENTS

CIL Securities Ltd.
214, Raghavaratna Towers, Chirag Ali Lane,
Hyderabad 500 001.
Ph.No. (040)23202465/66612093, Fax.(040) 23203028

LISTED AT : BSE Limited

ISIN : INE639C01013

WEBSITE : www.rajpack.com

INVESTOR E-MAIL ID: info@rajpack.com

29th ANNUAL GENERAL MEETING

Day	: Monday
Date	: 26 th September, 2016
Time	: 3.30 P.M.
Venue	: Hotel Inner Circle, Lane beside Saboo Motors, Raj Bhavan Road, Hyderabad. – 500 082

Contents Page Nos.

Notice of Annual General Meeting	2
Chairman's Speech	9
Board's Report	10
Corporate Governance	18
Management Discussion & Analysis Report	36
Auditor's Report	58
Balance Sheet	64
Profit and Loss Account	65
Cash Flow Statement	66
Schedules (1 to 24)	67
Significant Accounting Policies	75
Notes to Accounts	78
Proxy Form & Attendance Slip	85
Route Map	87

ANNEXURE INDEX

Annexure number	Details of annexure	Page Nos.
I	Secretarial Audit Report	41
II	Annual Return Extracts in MGT 9	45
III	Format of declaration by Independent Director	54
IV	AOC 2 - Related Party Transactions disclosure	57

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of M/s. Raj Packaging Industries Limited will be held on Monday, 26th day of September, 2016 at 3:30 p.m. at Hotel Inner Circle, Lane Beside Saboo Motors, Raj Bhavan Road, Hyderabad-500 082 Telangana, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2016, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March 2016.

“Resolved that dividend @ 5% i.e., Rs. 50 paise per equity share be and is hereby approved for the financial year 2015-16.”

3. To appoint a director in place of Ms. Neepa Kankaria (DIN: 06637083) who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the re-appointment of Statutory Auditors:

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. NAC and Associates LLP, Chartered Accountants, bearing ICAI Registration No. 119375W, as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS:**5. APPOINTMENT OF MR. PUSHP RAJ SINGHVI AS DIRECTOR OF THE COMPANY**

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 Section 149, 152 of the Companies Act, 2013 and the Rules made there under, Mr. Pushp Raj Singhvi (DIN: 00347511), who was appointed as Additional Director in the Board of the Company on 30.05.2016 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association to the Company, and whose term of office expires at the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intension to propose Mr. Pushp Raj Singhvi (DIN: 00347511) as candidate for the office of a director of the company be and is hereby appointed as Director of the Company, liable to retire by rotation.”

“RESOLVED FURTHER THAT Mr. Prem Chand Kankaria, Managing Director is authorized to take necessary action in this regard including filing of necessary forms with Registrar of Companies, Hyderabad.”

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

Place : Hyderabad
Date : 10.08.2016

Sd/-
PREM CHAND KANKARIA
MANAGING DIRECTOR
(DIN: 00062584)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.

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 (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2016 to 26.09.2016 (Both days Inclusive).
4. Members holding shares in the electronic form are requested to inform any changes in address/ bank mandate directly to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
8. The dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be paid within a period of 30 days to those members whose name appear as:
 - a) Beneficial Owners as on 22.09.2016 on the lists of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and
 - b) Members in the Register of Members of the Company after giving effect to valid share transfer in the physical form lodged with the Company on or before 22.09.2016.

The dividend on Equity Shares, if declared at the Annual General Meeting, shall be paid on or after 10.10.2016.

9. Members holding shares in electronic form may note that bank particulars registered against their respective registered accounts will be used by the Company for the payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
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 the Company/ Registrar and Share Transfer Agents (M/s. CIL Securities Limited.)

11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. CIL Securities Limited., Share Transfer Agents of the Company for their doing the needful.
13. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
14. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission / transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
15. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/ RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
16. Electronic copy of the Annual Report for 2015-2016 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2015-2016 is being sent in the permitted mode.
17. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website [www. www.rajpack.com](http://www.rajpack.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@rajpack.com.
18. Voting through electronic means

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 business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22.09.2016, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 09.00 a.m. on 23.09.2016 and will end at 05.00 p.m. on 25.09.2016. The Company has appointed Mr. S. Sarveswar Reddy, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

The instructions for e-voting are as under:

- (A) In case of members receiving e-mail:
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab to cast your votes.
 - (iii) Now, select the Electronic Voting Sequence Number - Raj Packaging industries Ltd.

- (iv) Enter your User ID- For CDSL: 16 digits beneficiary ID followed by 8 Digits Client ID, Members holding shares in Physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and click on login.
- (v) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For CDSL: 16 digits beneficiary ID For NSDL: 8 Character DP ID followed by 8 Digits Client ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	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.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

- * 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 sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to 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. Eg. If your name is Mohan with sequence number 1 then enter MO00000001 in the PAN Field.
- # please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id/folio number in the Dividend Bank details field.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN 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. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & *). Kindly note that this password is also to be 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. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (ix) Click on the relevant EVSN on which you choose to vote.
- (x) 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.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xii) 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.

- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (B) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip
 - a) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
 - b) Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> 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.
 - c) The voting period begins on 23.09.2016 at 9.00 A.M. and ends on 25.09.2016 at 5.00.P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 22.09.2016 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.
 - d) 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.
- (xvi) The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
- 19. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- 20. 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.
- 21. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
- 22. The Ministry of Corporate Affairs (vide circular nos. 17/2011 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Sd/-

PREM CHAND KANKARIA
MANAGING DIRECTOR
(DIN: 00062584)

Place : Hyderabad
Date : 10.08.2016

**RAJ****packaging industries Ltd.****EXPLANATORY STATEMENT**

(Pursuant to Section 102(2) of the Companies Act, 2013)

ITEM NO.5 :

The members may note that Mr. Pushp Raj Singhvi (DIN 00347511) was inducted into Board as Additional Director of the company, with effect from 30.05.2016 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from member of the company along with the requisite deposit under Section 160 of the Companies Act, 2013 proposing the candidature of the above said persons for the Office of Director who is liable to retire by rotation. As per the provisions of section 160 of the Act, any such proposal ought to be approved by the members in the General Meeting.

Hence, the Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr. Pushp Raj Singhvi is concerned or interested, financially or otherwise, in this Resolution set out at item no. 5 for approval of the Members.

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

Sd/-

PREM CHAND KANKARIA
MANAGING DIRECTOR
(DIN: 00062584)

Place : Hyderabad

Date : 10.08.2016