

packaging industries ltd.

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22nd ANNUAL REPORT 2008-09

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

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

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

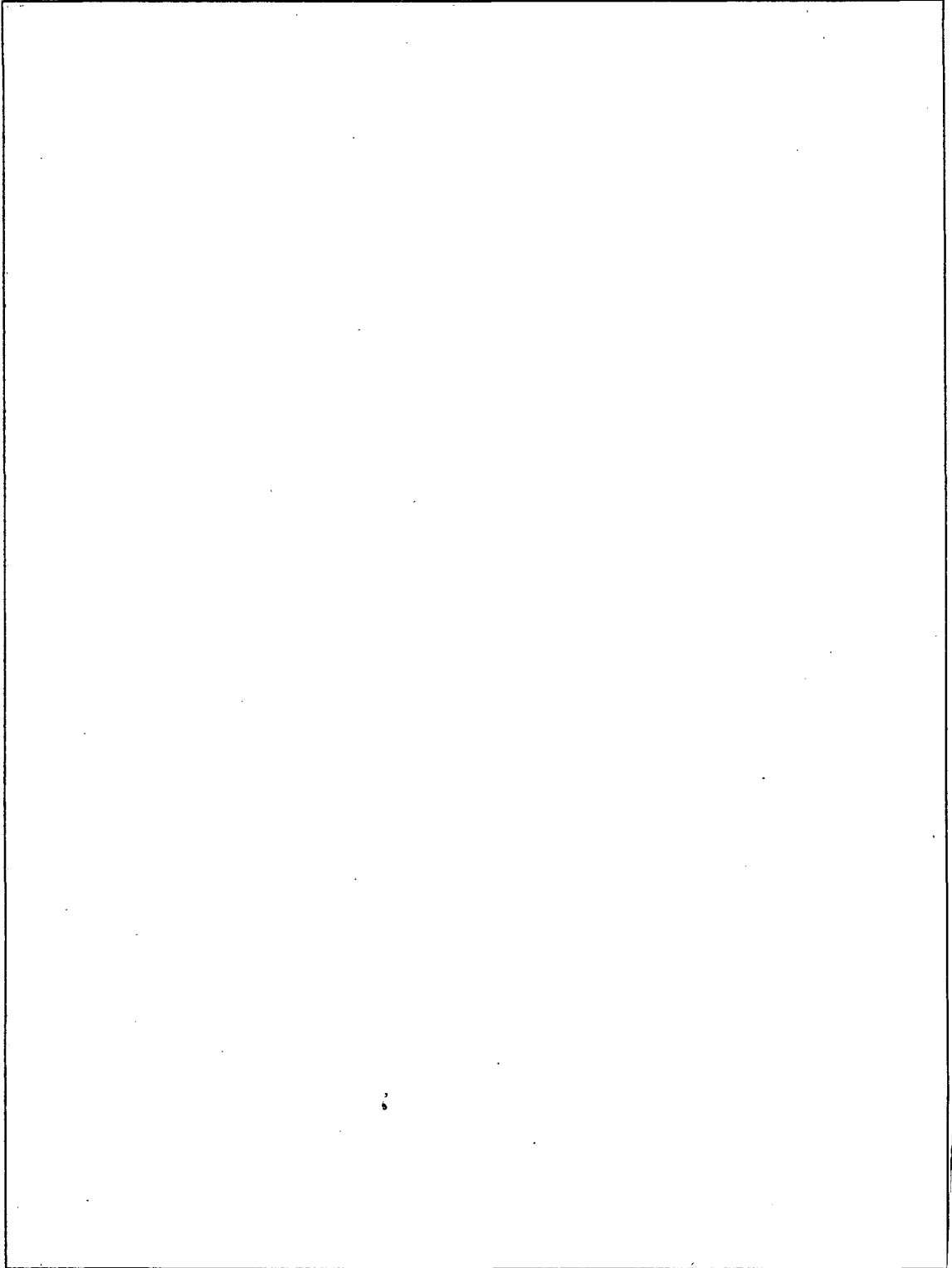
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RAJ

packaging industries ltd.



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.

PARTCULARS 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.



packaging industries Ltd.

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 polices 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,

extreme volatility in the prices of crude oil and other key raw materials and liquidity constraints led to a slowdown in the domestic economy.

Consequently, the country's GDP growth for the year 2008-09 dropped to 6.7% against the growth of around 9% seen during the past few years. Almost all the sectors of the economy witnessed considerable moderation in the growth trends. In particular, manufacturing and capital goods sectors were adversely impacted by the credit squeeze and low demand forcing the postponement of industrial expansion plans.

The Index of Industrial Production for 2008-09 showed a growth of around 2.3% as compared to the growth 8.5% in the previous year. Similarly, the construction sector showed a lower growth rate of around 7.2% as compared to 10.1% in the previous year. The adverse impact was also felt by many sectors owing to credit crunch and tighter monetary policies adopted to combat inflation.

d) BUSINESS PERFORMANCE

The Indian economy has seen a slowdown during 2008-09 as compared to the last two financial years owing to the slowing down of the economy and inflationary pressures within India. Still India continues to be a high growth economy. The main drivers of the GDP growth are the services and construction sectors. The overall industrial sector also recorded a growth. The polymer industry globally has also been growing. But there has been demand /supply gap in polymers throughout the world due to supply side constraints, non-availability of feed stock and its high prices and continued robust demand resulting in hardening of prices.

The year 2008 also witnessed high levels of volatility in commodity prices, essentially led by petroleum crude. Packaging materials also reflected this price volatility, causing stress in business planning processes. Vegetable oils, chemicals have also been hit by price volatility which resulted in slowdown of demand for packaging material of these sectors as well as the consumer goods market.

However, we could see new petrochemicals complexes coming up in the Middle East, Asia and India. That will enhance the availability of polymers and ease the situation. Coming down of crude oil prices is also a welcome scenario.

e) OVERVIEW 2008-09

Your company developed and expanded its market for lamination film supplying to various converters. As a matter of fact the share of lamination film to the total volume has increased. It is believed that flexible packaging industry particularly converting industry is increasing by nearly 20% on year to year basis. This is the niche area providing tremendous support and opportunity for increasing the volume.

The company has been putting sustained efforts to develop market for nylon based five layer film added by the market situation has resulted into increased orders for five layer film for oil packaging during the current financial year. The results will be reflected in this year's financials.

Your company has decided to go for expansion at the right time by putting new three layer line

which will start its operation during the current financial year 2009-10. We have also decided to put new printing machine with auto control systems to add value to the product and also reduce wastages. This step has been taken at the right time as we can see recovery and better prospects not just in the Indian market but also the Asian market. This would give us an opportunity to explore export markets and increase our customer base.

f) **FINANCIAL REVIEW AND WORKING CAPITAL MANAGEMENT**

RPIL has shown total income of Rs.2040 lacs as compared to Rs.1824 lacs (both are net of excise) for the year. The company has been able to increase its operating profits as well as net profit. Its operating profit stood at Rs.191.54 lacs and net profit at Rs.78.89 lacs as against Rs.175.63 lacs and Rs.73.52 lacs respectively.

The company has kept the uninterrupted track record of paying dividend and keeping in line with it, the management has proposed dividend of Re. 1 per share, subject to approval of valued shareholders, will be paid after the Annual General Meeting.

Your company has sound financial status. The company has planned an expansion with a capital outlay of Rs.5700 lacs. Part will be financed by internal accruals and part by term loan. We have already got the term loan and enhanced working capital limits sanctioned from the bank. Out of the total project cost the company has already incurred Rs.67 lacs during the year by way of advances. The expansion is on stream and is likely to start production in the month of November, 2009. The result of the expansion will be reflected in the last quarter of the current financial year. It will not only improve profitability of the company but also improve its cash flow by reducing income tax liability.

The company has been enjoying satisfactory working capital situation throughout the year. The company has already made arrangement with the bank to finance its increased need of working capital resulting from increase in volume due to expansion. The company has been maintaining strict financial discipline and managing well its working capital and also enjoying a good rapport and credibility with its bankers.

g) **OUR OPPORTUNITY**

Our Indian economy is seeing a recovery from the affects of global slowdown. The economic growth presents several attractive opportunities especially the retail sector. Though the per capita plastic consumption in India as compared to leading developed countries is lower than the world average the growth in the retail sector will provide immense support to our industry. The domestic polymer consumption has shown healthy growth of more than 15%. The largest sector contributing to nearly half of the value is flexible packaging of which your company is part. This provides ample opportunities to grow.

Raj Packaging will always look forward to grabbing the opportunity and will continue its efforts to maintain its leadership not just in the present market but across the country and further look to areas where it can enhance its profitability with new product or new market.

h) **OUR CHALLENGES**

Where there are opportunities and prospects for growth, there are challenges too in the form of growing competition. There are challenges to maintain quality standards and customer satisfaction. To maintain its leadership, the company has to invest money in upgrading technology and put new facilities. These challenges are further overcome by developing new products, developing new markets, concentrating on niche and premium markets, cutting cost by better efficiency and using improved and better raw materials and procuring them at right time and right price.

i) **INTERNAL CONTROL SYSTEMS –THEIR ADEQUACY**

Your company has adequate internal control systems, commensurate with its size and complexity of operation. The company maintains an adequate and effective internal control systems and suitable monitoring procedures with regard to purchase of raw material, stores, plant and machinery, equipment and other assets as well as for sale of goods. The financial and commercial activities have been structured to provide adequate support and controls for the business of the country.

The challenge is to ensure proper controls and monitoring system with reasonable cost keeping in view that the company is small. The company believes that these internal control systems provide a reasonable assurance that transactions are executed properly and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and the assets of the company are adequately safe-guarded.

j) **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS**

The company values its relationship with employees and ensures to create an environment and culture where employee is enthused to put his best efforts and maximize his contribution. Overall the relationship with the employees is cordial.

ANNEXURE – 'C'

CORPORATE GOVERNANCE

i) Corporate Governance

The company's purpose is business and to maximize long-term shareholders value by selling its goods. Therefore, to achieve this purpose, it has established business practices based on transparency, accountability and integrity to monitor the state of affairs of the Company to enable the Board in effectively discharging its responsibilities to the various stakeholders of the Company. The company also respects the inalienable rights of its investors and other stakeholders to inform on the performance of the company based on the highest professional ethics and financial reporting standards.

As a listed company, the Company is taking all steps in this regard, to ensure compliance with the Listing Agreements with the Stock Exchanges.

ii) Board of Directors

a) Composition and Size of the Board

As of the year ended 31st March' 2009 the Board of Directors had six members comprising of an executive and five Non-Executive Directors out of which two director's are independent and others are non-independent Directors. Even the Non-Executive Directors, who are them-selves financial professionals, have enough freedom; bring in independent judgment in the Board's deliberations and decisions.

b) Board Meetings and Attendance

Five Board meetings were held in the financial year 2008-2009 and the gap between any two successive Board meetings did not exceed four months.

The information as required under clause 49 of the Listing Agreement is made available to the Board. The agenda and the related papers for consideration at the Board meeting are circulated well in advance prior to the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meeting to enable the Board to take informed decisions.

i) The dates on which Board meetings were held and the attendance of directors during the financial year are as follows:

Sl.No.	Date of Meeting	Board Strength	No.of Directors present
1	30-06-2008	6	6
2	31-07-2008	6	4
3	27-09-2008	6	6
4	31-10-2008	6	4
5	30-01-2009	6	5

Out of Six directors who were the directors on the Board as on 27th September' 2008, all of them have attended the Annual General Meeting held on the said date.

Attendance of each director at the Board Meetings and last Annual General Meeting (AGM)

Name of the Director	Category of Directorship	Number of Board Meetings Attended	Attendance at the Last AGM held on 27 th September, 2008
Mr.U C Bhandari	Non-executive & Non independent	2	Yes.
Mr.Ramesh Chandra Singhi	Non-executive & Non independent	5	Yes
Mr.Rajendra Kankaria	Non-executive & Non independent	5	Yes
Mr.Suresh Chanda Bapna	Non-executive & Independent	4	Yes
Mr.V.S.N.Murthy	Non-executive & Independent	4	Yes
Mr.Prem Kankaria	Executive & Non-Independent	5	Yes

c) Directors with materially significant related party transactions, pecuniary or business relationship with the Company

There have been no materially significant related party transactions, pecuniary transactions or relationships between the company and its Directors that may have potential conflict with the interests of the company.

d) Remuneration to Directors

The company has set up a Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances to the Managing Director as per the agreement entered into and subsequently approved by shareholders. The agreement with the Managing Director is for a period of 5 years. Salary is paid within range approved by the shareholders and the Board fixes the perquisites and allowances. The non-executive Directors are paid sitting fees of Rs.10,000/- per meeting.

The details of the remuneration/sitting fees paid to the Directors during the financial year 2008-2009 are given hereunder:

(Amounts are In Rupees)

Directors	Salary	Perquisites	Sitting Fees	Total
Sri. U C Bhandari	—	—	20,000	20,000
Sri. Ramesh Chandra Singhi	—	—	50,000	50,000
Sri. Rajendra Kankaria	—	—	50,000	50,000
Sri. Suresh Chanda Bapna	—	—	40,000	40,000
Sri. V.S.N.Murthy	—	—	40,000	40,000
Sri. Prem Kankaria	15,00,000	1,17,460	—	16,17,460

e) Audit Committee

The Company had constituted an Audit committee in the year 2008. The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Sections 292A of the companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

- i) To review compliance with internal control systems;
- ii) To review the Quarterly, Half-Yearly and Annual Financial Results of the Company before submission to the Board;
- iii) To make recommendations to the Board on any matter relating to the Financial Management of the Company, including Statutory & Internal Audit Reports;

The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Name of the Director	Category of Directorship	Number of Board Meetings Attended
Mr. U C Bhandari	Non-executive & Non independent	1
Mr. Suresh Chanda Bapna	Non-executive & Independent	3
Mr. V.S.N.Murthy	Non-executive & Independent	3

Three Audit Committee Meeting were held during 2008-09. The dates on which the said meeting were held were as follows:

30th June,2008, 31st July,2008, 31st October,2008, 30th January,2009. The necessary quorum was present at the meetings.

f) Remuneration Committee

The Company had constituted as Remuneration Committee in the year 2008. The broad terms of reference of the Remuneration Committee are as follows:

- i) Review the performance of the Managing Director.
- ii) Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director
- iii) Finalise the perquisites package of the Managing Director within the overall ceiling fixed by the Board.
- iv) Recommend to the Board, retirement benefits to be paid to the Managing Director under the Retirement Benefit Guidelines adopted by the Board.

The composition of the Remuneration Committee and the details of meetings attended by the Directors are given below:

Name of the Director	Category of Directorship	Number of Board Meetings Attended
Mr. U C Bhandari	Non-executive & Non independent	1
Mr. Suresh Chanda Bapna	Non-executive & Independent	1
Mr. V.S.N.Murthy	Non-executive & Independent	1

One meeting of the Remuneration committee was held on 30th June,2008.

g) Investors / Share Holders Grievances

During the year the company has sorted out the Complaints received from the Shareholders and there were no complaints pending left unresolved as on 31.03.2009. The company had no transfers pending for more than 15 days as on 31st March' 2009.

h) General Body Meetings held during the last three years

Date	Time	Venue	No. of Special Resolutions passed/ required to be passed through postal ballot
27-09-2008	11.30 A.M	Hotel Inner Circle, Lane beside Saboo Motors, Rajbhavan Road, Hyderabad	Nil
22-09-2007	11.30 A.M.	Lions Bhavan Trust, Near Paradise Circle, S.D. Road, Secunderabad.	Nil
16-09-2006	11.30 A.M.	Lions Bhavan Trust, Near Paradise Circle, S.D. Road, Secunderabad.	Nil

i) Notes on Directors seeking appointment/re-appointment as required under Clause 49VI(A) of the Listing Agreement entered into with the Stock exchanges
a) Shri. Ramesh Chandra Singhi:

Shri. Ramesh Chandra Singhi is a first generation entrepreneur with about 25 years of experience in Marketing and he started his career in the marketing of electrical goods in the year 1977 with M/s. Ratan Electricals. He is associated with the company since inception as promoter.

b) Shri. Rajendra Kankaria:

Shri. Rajendra Kankaria is a Fellow Member of the Institute of Chartered Accountant of India. He is a Hyderabad based practicing Chartered Accountant and has been in the profession for the last 25 years. He was inducted into the Board of Directors of Company as Promoter Director in 1987 and since then he has been associated in bringing the company to this stage and instrumental to make the company a Public Limited. The company has been receiving on many occasions, valuable suggestions from him in the fields of Taxation, Finance and Accountancy.

iii) Disclosures

There are no materially significant disclosures on related party transactions entered into by the company with its Directors or Management. The register of contracts is placed before the Board regularly for its approval.

Transactions with the related parties are disclosed in Note 12 of Schedule 18 to the financial statements in the Annual Report.

During the last three years, there were no penalties imposed either by the SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

iv) Means of Communication

As the results of the Company are published in the News Papers, the company did not prepare any half yearly report and therefore none was sent to the shareholders.

As per the requirements of clause 41 of the Listing Agreement, quarterly financial results have been published within the time frame prescribed in this regard.

Newspapers normally published in : English – Times of India / Business

Standard/Economic Times / Financial Chronicle & Financial Express

Vernacular – Vartha / Andhra Bhoomi.

There are no presentations made to the Institutional Investors or Analysts.

The management discussion and analysis report forms part of this Annual Report.

v) Share Transfer System

Trading in Equity Shares of the Company is permitted in dematerialised form from 1st January 2001 for all classes of investors as per notification issued by the Securities & Exchange Board of India (SEBI).

All matters pertaining to both physical and electronic Share Registry are handled by the registrar and Share Transfer agent, CIL Securities Ltd, 214, Raghava Ratna Towers Chirag-Ali Lane, Abids, Hyderabad. The requests relating both transfers and demat, received at company's end will be sent to the Registrar & Transfer Agent for giving effect at regular intervals.

vi) General Shareholder information

AGM:

Date, Time and Venue : 19th September, 2009.
 At 11.30 A.M at Hotel Inner Circle,
 Lane beside Saboo Motrs , Raj Bhavan Road,
 Hyderabad.

Financial Year : April,2008 to March,2009

Date of Book Closure : 12th September' 2009 to
 19th September' 2009 (Both days inclusive)

Dividend Payment Date : The Dividend Warrant will be posted on or after
 19th September, 2009.

Listing on Stock Exchanges : The Bombay Stock Exchange Ltd.
 The Hyderabad Stock Exchange Ltd.
 The Hyderabad Stock Exchange Ltd has been derecognised
 by SEBI on 29.08.2007

Stock Code : BSE - 530111
 HSE : RAJPAC\$

Demat ISIN Number for
 NSDL & CDSL : INE 639C01013

Share Registrar & Transfer Agent : CIL Securities Ltd. 214,
 Ragahvaratna Towers,
 Chirag Ali Lane, Hyderabad – 500 001

vii) Share Price Data

The Company's yearly high and low quotations of shares traded on the Stock Exchange, Mumbai are as follows:

Month	High	Low	Month	High	Low
April,2008	18.50	13.10	October,2008	13.77	08.20
May,2008	18.90	14.50	November,2008	11.50	08.75
June,2008	16.85	12.30	December,2008	10.48	08.57
July,2008	16.45	10.41	January,2009	10.75	08.60
August,2008	15.50	12.33	February,2009	10.20	08.53
September,2008	15.50	11.40	March,2009	11.15	08.30

viii) Distribution of share holding as on 31st March, 2009:

Shares Held	No. of Share Holders	% of Share Holders	No of Share Held	% of Share Holding
Up to 5000	1925	95.25	834935	21.03
5001 - 10000	35	1.73	268714	6.77
10001 - 20000	23	1.14	345946	8.72
20001 - 30000	12	0.59	307693	7.75
30001 - 40000	08	0.40	272703	6.87
40001 - 50000	0	0.00	-	-
50001 - 100000	11	0.54	785576	19.79
100000 above	7	0.35	1154183	29.07
TOTAL	2021	100.00	3969750	100.00
Physical Mode	839	41.51	2078600	52.36
Electronic Mode	1182	58.49	1891150	47.64
TOTAL	2021	100.00	3969750	100.00

Sl.No.	Category	No. of Shares	% of Holding
A.	Promoter's holding	1760844	44.36
B.	<u>Non-Promoter's Holding</u>		
	Institutional Investors	109706	2.76
	Private Corporate Bodies	494970	12.47
	Non-resident Indians	18300	0.46
	Indian Public	1585930	39.95
		3969750	100.00

ix) Dematerialization of Shares:

The Company holds 18,91,150 shares representing 47.64 %of the total Equity shares of the Company in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March' 2009.

Plant Location

The Company's plant is located at: Survey No. 715, Kondamadugu, Bibinagar, Dist. Nalgonda, Andhra Pradesh, INDIA

Address for Correspondence

The share holders' correspondence should be addressed to: Raj packaging Industries Limited, 6-3-1090/C-4, opp: Kapadia Lane Raj Bhavan Road, Hyderabad – 500 082 Andhra Pradesh.

DECLARATION REGARDING CODE OF CONDUCT

To the Shareholders

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company

Place : HYDERABAD
Date : 16th June 2009

PREM KANKARIA
MANAGING DIRECTOR

CEO/CFO CERTIFICATION

To
The Board of Directors,
Raj Packaging Industries Ltd.

I have reviewed the financial statements, read with the cash flow statement of Raj Packaging Industries Ltd. for the year ended 31st March 2009 and that to the best of our knowledge and belief, we state that:

- A. (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee;
- (i) Significant changes, if any, in the internal control over financial reporting during the year
- (ii) Significant changes, if any in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : HYDERABAD
Date : 16th June 2009

PREM KANKARIA
MANAGING DIRECTOR

AUDITORS' REPORT

TO
THE MEMBERS
RAJ PACKAGING INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **RAJ PACKAGING INDUSTRIES LIMITED** as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act"), we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books *subject to what is stated in paragraph 4(e) below*;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable *subject to what is stated in paragraph 4(e) below*;
 - (e) *In accordance with the practice being followed by the Company, no provision has been made in respect of estimated total liability for future payment of Gratuity and*

Leave Encashment, the amount whereof is presently not determined. The accounting method of providing Gratuity and Leave Encashment liability as and when due is not in accordance with the accounting method prescribed in Accounting Standard 15 - "Employee Benefits" issued by the Institute of Chartered Accountants of India (refer note no. 8 of Schedule 18);

- (f) On the basis of written representations received from directors as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to what is stated in paragraph 4(e) above, the effect of which could not be determined* and read together with note no. 7 regarding non-deposit of due amount of Rs. 43,460 with Investor Education and Protection Fund as per the provisions of Section 205C of the Act in Schedule 18 of Significant Accounting Policies and Notes to Accounts and other notes appearing elsewhere in the said accounts, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For C P RANKA & CO.
Chartered Accountants

C P Ranka
Partner
Membership No. 106823

Place : Secunderabad
Date : 16th June, 2009

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009.

On the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we state that:

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The assets have been physically verified by the management in accordance with the phased programme of verification adopted by the Company, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no discrepancy between the book records and physical inventory was noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no substantial part of the fixed assets has been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, paragraphs iii(b), iii(c) and iii(d) of the said Order are not applicable.
- (b) The Company has taken unsecured loans from two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balances of such loans were Rs.16,50,000 and Rs.7,75,071, respectively.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which such loans have been taken by the Company are, prima facie, not prejudicial to the interest of the Company.
- (d) The Company is regular in repayment of principal amount and interest thereon as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register required to be maintained under Section 301 of the Act.
- (vi) The Company has not accepted any deposits from public during the year within the meaning of Section 58A and 58AA of the Act and rules framed thereunder.
- (vii) *The Company does not have an internal audit system.*
- (viii) In our opinion and as explained by the Management, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of the product dealt by the Company. Accordingly, paragraph 4(v) of the Order is not applicable.

- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses as at 31st March, 2009 and has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to the chit fund and nidhi / mutual benefit fund / societies.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, in our opinion, the Company has not obtained any term loan during the year covered by this report.
- (xvii) According to the information and explanations given to us and on an overall examination of the cash flow statement and balance sheet of the Company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long term investment.
- (xviii) During the year or in the recent past, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year or in the recent past.
- (xx) The Company has not raised any money by way of public issue during the year or in the recent past.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management

For **C P RANKA & CO.**
Chartered Accountants

Place : Secunderabad
Date : 16th June, 2009

C P Ranka
Partner
Membership No. : 106823

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To
The Members of
Raj Packaging Industries Limited
Hyderabad.

We have examined the compliance of conditions of Corporate Governance procedures implemented by **Raj Packaging Industries Limited**, for the year ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **C P RANKA & CO.**
Chartered Accountants

C P Ranka
Partner
Membership No. 106823

Place : Secunderabad
Date : 16th June, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
A. Share Capital	1	39,697,500	39,697,500
B. Reserves & Surplus	2	17,018,919	13,773,900
		56,716,419	53,471,400
2. LOAN FUNDS			
A. Secured Loans	3	22,579,940	20,236,321
B. Unsecured Loans	4	775,071	1,812,803
		23,355,011	22,049,124
Deferred Tax Liability		7,845,770	8,447,726
	TOTAL	87,917,200	83,968,250
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
A. Gross Block	5	75,271,676	73,798,719
B. Less : Accumulated Depreciation		43,547,184	39,966,462
C. Net Block		31,724,492	33,832,257
2. INVESTMENTS	6	1,530,785	1,506,785
3. CURRENT ASSETS, LOANS & ADVANCES			
	7		
A. Inventories		13,954,351	16,081,746
B. Sundry Debtors		40,895,180	39,246,795
C. Cash & Bank Balances		1,687,275	1,091,091
D. Interest Accrued on Deposits		172,060	92,857
E. Loans & Advances		10,097,911	7,175,665
		66,806,777	63,688,154
LESS: CURRENT LIABILITIES & PROVISIONS			
	8		
A. Current Liabilities		6,460,608	9,610,510
B. Provisions		5,684,246	5,448,436
		12,144,854	15,058,946
NET CURRENT ASSETS			
		54,661,923	48,629,208
	TOTAL	87,917,200	83,968,250
Significant Accounting Policies and Notes to Accounts			
	18		

Schedules referred to above form an integral part of the financial statements.

As per our attached report of even date

For and on behalf of the Board

For C.P.Ranka & Co.
Chartered Accountants

Ramesh Chandra Singhi
Director

U.C.Bhandari
Director

C.P.Ranka
Partner

Prem Kankaria
Managing Director

Place : HYDERABAD
Date : 16th June, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

PARTICULARS	Schedule	For the Year ended 31.03.2009 (Rs.)	For the Year ended 31.03.2008 (Rs.)
INCOME			
Sales	9	229,389,182	210,327,883
Less: Excise Duty		25,341,617	27,949,798
		204,047,565	182,378,085
Other Income	10	1,087,061	430,968
Increase / (Decrease) in Stock	11	(1331424)	(848401)
	TOTAL	203,803,202	181,960,652
EXPENDITURE			
Cost of Materials	12	152,319,907	137,513,476
Manufacturing Expenses	13	14,629,862	11,071,044
Personnel Expenses	14	4,597,660	3,856,188
Sales & Distribution Expenses	15	11,103,868	9,772,949
Interest and Finance Charges	16	3,350,048	2,893,536
Other Expenses	17	1,998,484	2,184,362
Depreciation	5	3,580,722	3,585,038
	TOTAL	191,580,551	170,876,594
Profit before Tax		12,222,651	11,084,058
Provision for Tax			
- Current Tax		4,891,600	4,271,615
- Deferred Tax		(601,956)	(583,241)
- Fringe Benefit Tax		43,579	43,600
Net Profit after Tax		7,889,428	7,352,084
Balance brought forward from previous year		11,937,929	9,230,254
PROFIT AVAILABLE FOR APPROPRIATION		19,827,357	16,582,338
APPROPRIATIONS			
Proposed Dividend on Equity Shares		3,969,750	3,969,750
Corporate Dividend Tax		674,659	674,659
Surplus carried to Balance Sheet		15,182,948	11,937,929
	TOTAL	19,827,357	16,582,338
Basic and Diluted EPS (Face value of Rs.10/- each)		1.99	1.85
Significant Accounting Policies and Notes to Accounts	18		

Schedules referred to above form an integral part of the financial statements.

As per our attached report of even date

For and on behalf of Board

For C.P.Ranka & Co.
Chartered Accountants

Ramesh Chandra Singhi
Director

U.C.Bhandari
Director

C.P.Ranka
Partner

Prem Kankaria
Managing Director

Place : HYDERABAD
Date : 16th June, 2009

Schedules 1 to 18 are Attached to and forming part of Balance Sheet as at 31.03.2009 and Profit & Loss Account for the Year ended on that date.

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
SCHEDULE 1: SHARE CAPITAL		
Authorised:		
50,00,000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
Issued, Subscribed & paid Up:		
39,69,750 Equity Shares of Rs.10/- each	39,697,500	39,697,500
	39,697,500	39,697,500
SCHEDULE 2 RESERVES & SURPLUS		
General Reserve		
As per last Balance Sheet	335,971	335,971
Securities Premium Account		
As per last Balance Sheet	1,500,000	1,500,000
Surplus as per Profit & Loss Account	15,182,948	11,937,929
TOTAL	17,018,919	13,773,900
SCHEDULE 3 SECURED LOANS		
Working Capital Loan from a Bank	20,505,267	17,058,016
(Secured by way of hypothecation of all the chargeable Current Assets of the Company and a Collateral charge by way of equitable mortgage of the factory land & building situated in Nalgonda District and hypothecation of all plant & machinery and fixed assets of the Company and personal guarantee of the Managing Director of the Company)		
Term Loan from a Bank	2,000,661	3,001,276
(Secured by way of hypothecation of all fixed assets of the company and a Collateral charge by way of equitable mortgage of the factory land & building situated in Nalgonda District and personal guarantee of the Managing Director of the Company)		
Hire Purchase Loan from a Bank	74,012	177,029
(Secured by hypothecation of vehicle purchased thereagainst)		
TOTAL	22,579,940	20,236,321
SCHEDULE 4 UNSECURED LOANS		
Loans from Bodies Corporate	775,071	1,812,803
TOTAL	775,071	1,812,803

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - 5 : FIXED ASSETS

(Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.08	Additions during the year	Deductions	As at 31.03.09	As at 01.04.08	Dep. On Deduction	For the year	upto 31.03.09	As at 31.03.09	As at 31.03.08
1 LAND	144,660	-	-	144,660	-	-	-	-	144,660	144,660
2 BUILDING	6,016,067	364,317	-	6,380,384	2,227,445	-	207,004	2,434,449	3,945,935	3,788,622
3 PLANT & MACHINERY	62,766,647	1,003,726	-	63,770,373	34,970,406	-	3,005,607	37,976,013	25,794,360	27,796,240
COMPUTERS & PERIPHERALS	184,904	51,817	-	236,721	99,558	-	36,969	136,527	100,194	85,347
4 ELECTRICAL INSTALLATION	1,529,313	-	-	1,529,313	867,377	-	72,642	940,019	589,294	661,936
5 FURNITURE	977,929	-	-	977,929	741,405	-	60,348	801,753	176,176	236,524
OFFICE EQUIPMENT	51,965	-	-	51,965	30270	-	2,468	32,738	19,227	21,695
6 VEHICLES	1,678,302	53,097	-	1,731,399	776,585	-	144,910	921,495	809,904	901,717
MOTOR VEHICLES	448,932	-	-	448,932	253,416	-	50,774	304,190	144,742	195,516
TOTAL	73,798,719	1,472,957	0	75,271,676	39,966,462	0	3,580,722	43,547,184	31,724,492	33,832,257
Previous Year	74,281,041	113,229	595,551	73,798,719	36,728,827	347,401	3,585,038	39,966,462	33,832,257	

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 6		
INVESTMENTS		
Current Investments		
In fully Paid-Up Equity Shares (Quoted):		
1900 shares (1900) of N FCL of Rs.10/- each	46,322	46,322
7300 share (7300) of TATA Tele of Rs.10/- each	178,122	178,122
1600 Shares (1600) of NTPC of Rs. 10/- each	332,456	332,456
1700 Shares (1700) of ITC Ltd of Rs. 1/- each	320,311	320,311
750 Shares (500) of Hindalco Industries of Rs. 1/- each	109,226	85,226
2200 Shares (2200) of Gujarat Ambuja Cements of Rs.2/- each	321,777	321,777
1000 Share (1000) of Andhra Bank of Rs. 10/- each	106,331	106,331
400 Shares (400) of Ispat India of Rs. 10/- each	16,240	16,240
TOTAL (A)	1,430,785	1,406,785
Mutual Fund		
10000 Units of SBI Infra Fund	100,000	100,000
TOTAL (B)	100,000	100,000
(Market Value of Quoted shares are Rs.11,04,315 as on 31.03.2009 Previous Year Rs. 14,76,845)		
GRAND TOTAL (A+B)	1,530,785	1,506,785
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
A. INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Material	10,409,866	11,333,168
Finished Goods	1,868,099	3,199,523
Packing Material	173,570	54,955
Printing Inks & Chemicals	762,816	734,100
Printing Cylinders	740,000	760,000
TOTAL (A)	13,954,351	16,081,746
B. SUNDRY DEBTORS		
(Unsecured-considered good)		
a. Outstanding for a period exceeding six months	4,669,710	4,600,188
b. Other debts	36,912,338	34,916,156
	41,582,048	39,516,344
Less. Provision for Bad & Doubtful Debts	686,868	269,549
TOTAL (B)	40,895,180	39,246,795

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
C. CASH & BANK BALANCES		
Cash in hand	12,601	79,199
Balance with Scheduled banks		
-Current Accounts	55,358	20,720
-Term Deposit Accounts	1,355,400	633,400
-Unpaid Dividend Accounts	263,916	357,772
TOTAL (C)	1,687,275	1,091,091
D. Interest Accrued on Deposits	172,060	92,857
TOTAL (D)	172,060	92,857
E. LOANS & ADVANCES (Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received		
-Advances on Capital Account	6,706,498	2,789,498
- Other Advances	1,919,722	1,984,275
Balance with Central Excise & Sales Tax Authorities	426,949	1,177,150
Deposits	1,044,742	1,224,742
TOTAL (E)	10,097,911	7,175,665
GRAND TOTAL (A+B+C+D+E)	66,806,777	63,688,154
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
SUNDRY CREDITORS		
Dues of Micro, Small and Medium Enterprises+		
Dues of Other Creditors	3,607,097	6,633,229
Advances from Customers	413,377	1,020,456
Other Liabilities	2,196,756	1,620,141
Investors' Education and Protection Fund*		
Unpaid Dividend	243,378	336,684
TOTAL (A)	6,460,608	9,610,510
B. PROVISIONS		
Proposed Dividend	3,969,750	3,969,750
Corporate Dividend Tax	674,659	674,659
Provision for Income Tax ((Net of Advance Tax of Rs 38,00,000/- (Previous Year Rs35,00,000/-))	1,035,894	805,663
Provision for FBT ((Net of Advance Tax of Rs 38,000/- (Previous Year Rs 45,500/-))	3,943	(1,636)
TOTAL (B)	5,684,246	5,448,436
GRAND TOTAL (A+B)	12,144,854	15,058,946

* Refer Note No. 7 in Schedule 18

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

PARTICULARS	For the year ended 31.03.2009 (Rs)	For the year ended 31.03.2008 (Rs)
SCHEDULE 9		
SALES		
Sales - Domestic		
Sales (Net of Returns)	193,481,340	170,424,233
Excise Duty	25,341,617	27,949,798
Sales Tax	8,312,707	7,749,988
	227,135,664	206,124,019
Sales - Exports (Against CT-1)		
Sales	2,253,518	4,203,864
TOTAL	229,389,182	210,327,883
SCHEDULE 10		
OTHER INCOME		
Interest (Tax deducted at source Rs31526/- (Previous Year Rs 16585/-)	151,659	100,227
Dividend Income	19,657	10,969
Profit on Sale of Investments	-	312,855
Sales Tax Subsidy	895,840	-
Misc. Receipts	19,905	6,917
TOTAL	1,087,061	430,968
SCHEDULE 11		
INCREASE / (DECREASE) IN STOCK		
Closing stock of finished goods	1,868,099	3,199,523
Less:		
Opening stock of Finished goods	3,199,523	4,047,924
TOTAL	(1,331,424)	(848,401)
SCHEDULE 12		
COST OF MATERIALS		
Opening Stock	11,333,168	10,776,477
Add : Purchases	151,396,605	138,070,167
	162,729,773	148,846,644
Less: Closing Stock	10,409,866	11,333,168
Raw Materials Consumed	152,319,907	137,513,476
TOTAL	152,319,907	137,513,476
SCHEDULE 13		
MANUFACTURING EXPENSES		
Packing Material Consumed	1,911,461	1,112,059
Inks & Chemicals Consumed	5,283,408	4,961,011
Stores & Spares Consumed	685,023	426,191
Power & Fuel	5,594,280	4,284,797
Repairs & Maintenance		
-Plant & Machinery	483,125	169,107
-Others	65,930	28,325
Printing Cylinders Charges	682,441	244,905
Job Work Charges	20,520	-
Excise Duty on Stock	(96,326)	(155,350)
TOTAL	14,629,862	11,071,044

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

PARTICULARS	For the year ended 31.03.2009 (Rs)	For the year ended 31.03.2008 (Rs)
SCHEDULE 14		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	2,511,678	2,064,426
Managerial Remuneration	1,617,460	1,352,100
Contribution to Provident and Other Funds	218,647	201,689
Workmen & Staff Welfare Expenses	249,875	237,973
TOTAL	4,597,660	3,856,188
SCHEDULE 15		
SELLING & DISTRIBUTION EXPENSES		
Sales Promotion & Advertisement Expenses	103,222	179,859
Freight & Forwarding Expenses	1,097,020	891,531
Discounts, Rebate & rejections	441,584	291,224
Bad & Doubtful Debts written off	1,149,335	589,548
Sales Tax Paid	8,312,707	7,749,988
A.P.G.S.T.PAID 2004-05	-	69,734
C.S.T.PAID 2004-05	-	1,065
TOTAL	11,103,868	9,772,949
SCHEDULE 16		
INTEREST & FINANCE CHARGES		
Interest on:		
a. Term Loans	321,435	478,890
b. Cash Credit	2,180,410	1,695,149
c. Others	286,146	279,559
Bank Charges	562,057	439,939
TOTAL	3,350,048	2,893,536
SCHEDULE 17		
OTHER EXPENSES		
Auditors' Remuneration	37,500	32,500
Directors' Sitting Fee	200,000	150,000
Insurance	185,686	259,054
Loss on Sale of Fixed Assets	-	168,150
Printing & Stationery	71,725	67,382
Office Rent	180,000	143,325
Rates & Taxes	50,059	75,542
Telephone, Postage & Telegram	179,760	155,469
Travelling Expenses	322,821	381,578
Vehicle Maintenance	356,736	292,626
Misc. Expenses	414,197	458,736
TOTAL	1,998,484	2,184,362

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON AND FOR THE YAER ENDED 31ST MARCH, 2009

A. SIGNIFICANT ACCOUNTING POLICIES

1) GENERAL

- a) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accounting principles of a going concern and the Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI"), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use. b) The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements are made relying on these estimates. Any revision to accounting estimates is recognized prospectively.

2) FIXED ASSETS

- a) All fixed assets are stated at cost net of CENVAT / Value Added Tax less accumulated depreciation and impairment loss, if any. Expenditure during construction period in respect of new project/ expansion is allocated to the respective fixed assets on their being ready for commercial use.
- b) In accordance with AS 28 on 'Impairment of Assets' issued by The Institute of Chartered Accountants of India, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized is recognized in the Profit & Loss Accounts whenever the carrying amount of such assets exceeds its recoverable amount.

3) INVESTMENTS

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Long-term investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investments. Current investments are carried at the lower of the cost and fair value and provision is made to recognize any decline in the carrying value.

4) INVENTORIES

Inventories are valued at lower of cost and estimated net realizable value except scrap which is valued at net realizable value. Cost is determined on "First-in-First Out" basis.

The cost in case of finished goods and semi-finished goods includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

5) REVENUE RECOGNITION

Revenue is recognized when the property and all the significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration. Local sales are inclusive of excise duty and sales tax.

Dividend income on investments is accounted for when the right to receive the payment is established.

6) BORROWING COST

Borrowing Costs directly attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

7) DEPRECIATION

Depreciation is provided on "Straight Line Method" at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 read with relevant circulars issued from time to time by the Department of Company Affairs.

Individual assets costing less than Rs. 5,000 are depreciated in full in the year of acquisition.

Depreciation on additions / deletions of assets during the year is provided on pro-rata basis.

8) EMPLOYEE BENEFITS

a) Provident Fund : Provident Fund is a defined contribution scheme and contributions are charged to the Profit and Loss Account as incurred.

b) Gratuity : Gratuity is a defined benefit retirement plan and being accounted for on cash basis.

c) Liability for leave encashment is accounted for on cash basis.

9) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are recorded at the rate of exchange in force at the date of transactions. Gain and losses resulting from settlement of such transactions and from the transaction of monetary assets and liabilities denominated in foreign currencies are recognised in Profit and Loss Account. Premium in respect of forward foreign exchange contract is recognised over the life of the contracts.

10) TAXATION

Income tax expenses comprise current tax and fringe benefit tax (i.e., amount of tax for the year determined in accordance with the income tax law) and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax on assets are recognized and carried forward only if there is a virtual / reasonable certainty of realization of such assets in near future and are reviewed for their appropriateness of their respective carrying value at each balance sheet date.

Tax credit is recognized in respect of Minimum Alternate Tax (MAT) paid in terms of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal tax within the statutory time frame and the same is reviewed at each Balance Sheet date.

11) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities are disclosed in the notes to accounts and are determined based on the management perception that these liabilities are not likely to materialise. Contingent assets are not recognised or disclosed in the financial statements.

B. NOTES TO ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and are not provided for (net of advances) Rs.372.00 lacs (Previous Rs. 575.16 lacs).
2. Foreign exchange difference (net) debited to Profit and Loss Account Rs.13.40 lacs (Previous Year credited Rs. 0.98 lac).
3. In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which those are stated in the Balance Sheet. The provision for depreciation and for all the known liabilities is adequate and not in excess of what is required.
4. Accounts of certain debtors, creditors, loans and advances and unsecured loans given are subject to confirmation and reconciliation, if any. However in the opinion of management, there would not be any material impact on the financial statements.
5. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
6. The Company has not appointed a Company Secretary as required under the provisions of Sec 383A of the Companies Act, 1956 upto 4th January, 2009. Consequent to the notification issued by the government on 5th January, 2009, the provisions of Sec 383A of the Companies Act, 1956 with regards to appointment of a Company Secretary are not applicable to the Company.
7. A sum of Rs 43,460 (Previous Year Rs.16,150) on account of unclaimed dividend has not been deposited in the Investor Education and Protection Fund as required under Section 205C of the Companies Act, 1956. However, the process for the remittance of the same has already been initiated and the due amount will be remitted shortly.
8. In accordance with the practice being followed by the Company, no provision has been made in respect of estimated total liability for future payment of Gratuity and Leave Encashment and the same is being accounted for as and when paid which is not in accordance with the accounting method prescribed in Accounting Standard 15 - "Employee Benefits" issued by the Institute of Chartered Accountants of India. However in the opinion of management, it will not have any material financial impact on the results of the company.
9. In terms of Accounting Standard 17, the Company operates materially only in one business Segment viz., Plastic Films and has its production facilities and all other assets located in India. Sales to external customers comprise export sales of Rs. 22.54 lacs (Previous Year Rs. 42.04 lacs) and local sales of Rs. 1934.81 lacs (Previous Year Rs.1704.24 lacs).
10. Deferred Tax Asset / (Liability) for the year and at the year end is given hereinbelow:

(Rs. In lacs)

Deferred Tax Assets/ Liabilities (net)	Up to 31.03.2008	Current Year	Total as on 31.03.2009
Deferred Tax Asset /(Liability) arising on account of timing difference in depreciation	(84.48)	6.02	(78.46)
Total	(84.48)	6.02	(78.46)

11. Earnings per share: (Rs. In lacs)

Particulars		2008-09	2007-08
Numerator :			
Net Profit as disclosed in Profit & Loss Account		78.89	73.52
Net Profit attributable to the Equity Shareholders		78.89	73.52
Denominator:			
Weighted average No. of Equity Shares	Nos.	3969750	3969750
Basic and diluted Earnings Per Share (face value of Rs.10 each)	Rs.	1.99	1.85

12. Disclosure in respect of related parties pursuant to Accounting Standard 18:

(A) List of related parties:

Related parties with whom company entered into transactions during the year:

i) Companies in which directors are interested:

Kankaria Leasing & Finance Private Limited

Chaitanya Securities Private Limited

ii) Key Management Personnel

Shri Prem Kankaria, Managing Director

Relative of Key Management Personnel

Shri Rajendra Kankaria, Brother

(B) During the year following transactions were carried out with related parties in the ordinary course of business and at arms length:

(Rs. in lacs)

S.No.	Nature of Transactions	Key Management Personnel	Companies in which directors are interested	Total
1.	Interest Kankaria Leasing & Finance Private Limited	—	0.97(1.13)	0.97(1.13)
	Chetanya Securities Private Limited	—	1.76(1.25)	1.76(1.25)
2.	Managerial Remuneration	16.17(12.32)	—	—
3.	Unsecured Loan taken Chetanya Securities Private Limited	—	13.00(11.50)	13.00(11.50)
4.	Unsecured Loan repaid Chetanya Securities Private Limited	—	24.60(—)	24.60(—)
5.	Outstanding Balances as on 31.03.09	—	7.75(18.12)	7.75(18.12)

Notes:

- No amounts in respect of related parties have been written off / written back during the year.
- Figures in bracket represent previous year's figures.
- Related parties are as identified by the management and relied upon by the auditors.

13. Additional information pursuant to the provisions of Schedule VI of the Companies Act, 1956

A) **Installed Capacity:** (As certified by the Management and relied upon by the Auditors being a technical matter)

Description of the Item	Qty	Year ended	Year ended
		31.03.2009	31.03.2008
Licensed/Registered Capacity	In MT	2400	2400
Installed Capacity	In MT	2400	2400
Actual Production of Finished Goods	In MT	2054	2009

B) **Sales of Finished Goods:**

(MT/Rs. In lacs)

Particulars	For the year ended 31.03.2009		For the year ended 31.03.2008	
	Qty	Rs.	Qty	Rs.
Co-Extruded Multi-layer Plastic Film*	2054	2041	2023	1824

*Including sale of Raw Material NIL MT (Previous Year 2.250 MT)

c) **Opening and Closing Stock of Finished Goods:**

MT/Rs. In lacs

Co-Extruded Multi-layer Plastic Film*	For the year ended 31.03.2009		For the year ended 31.03.2008	
	Qty	Rs.	Qty	Rs.
Opening Stock	38.42	32.00	48.27	40.48
Closing Stock	33.17	18.68	38.42	32.00

* Including Semi Finished Goods

D) **Raw Materials consumed**

(MT./Rs. in lacs)

Particulars	Year ended 31.03.2009			Year ended 31.03.2008		
	MT	Rs.	% of	MT	Rs.	% of
Raw Material (Imported)	806.73	633.53	41.59	874.45	611.08	44.44
Raw Material (Indigenous)*	1240.23	889.67	58.41	1128.22	764.05	55.56
Total	2046.96	1523.20	100.00	2002.67	1375.13	100.00

* Includes sale of Raw Material Nil (Previous Year 2.250MT)

E) Value of Imports on CIF basis in respect of:

(Rs. In lacs)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Raw Material	625.87	572.59

14. Remuneration to Managing Director:

(Rs. In lacs)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Salaries	15.00	10.80
Perquisites*	1.17	1.52
Total	16.17	12.32

* evaluated as per Income Tax Rules, wherever applicable

15. AUDITORS' REMUNERATION:

(Rs. In lacs)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
STATUTORY AUDITORS' REMUNERATION:		
Audit Fees	0.25	0.20
Tax Audit Fees	0.08	0.08
Taxation / Other Services	0.05	0.05
Out of Pocket Expenses (including Service Tax)	0.04	0.04
Total	0.42	0.37

16. Previous year's figures have been regrouped and rearranged wherever necessary so as to confirm it with the current year's presentation.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

Particulars	2008-09 Rs.	2007-08 Rs
A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extraordinary items	12,222,651	11,084,058
Adjustment for :		
Depreciation	3,580,722	3,585,038
Interest / Dividend Income	(171,316)	(255,901)
Interest paid	3,350,048	2,893,536
Operating Profit before Working capital changes	18,982,105	17,306,731
Adjustments for :		
Trade and other receivables	(4,649,834)	(10,049,176)
Inventories	2,127,395	310,373
Trade and other Payables	(3,149,902)	3,894,855
Cash generated from operations	13,309,764	11,462,783
Direct Taxes Paid inclusive of FBT	4,699,369	4,518,477
Cash Flow before extra ordinary items	8,610,395	6,944,306
Extraordinary Items (Prior Period Items)	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	8,610,395	6,944,306
B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (net)	1,472,957	(134,921)
(Sale)/Purchase of Investments	24,000	469,660
Interest Received	(151,659)	(100,227)
(Profit)/Loss on sale of Investments	-	(312,855)
(Profit)/ Loss on sale of Assets	-	168,150
Dividend Received (incl. Other Income)	(19,657)	(10,969)
NET CASH USED IN INVESTING ACTIVITIES	1,325,641	78,838
C) CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of ICD/ Loans	1,037,732	124,984
Repayment/(Raising) of finance liabilities	(2,343,619)	(956,779)
Dividends paid	3,969,750	3,969,750
Corporate Dividend Tax paid	674,659	674,659
Interest paid	3,350,048	2,893,536
NET CASH USED IN FINANCING ACTIVITIES	6,688,570	6,706,150
Net Increase in cash and cash equivalents	596,184	159,318
Cash and Cash equivalents as at 01.04.2008	1,091,091	931,773
Cash and Cash equivalents as at 31.03.2009	1,687,275	1,091,091

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3 - Cash Flow Statement, issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped wherever necessary.

Signatures to SCHEDULES 1 TO 18 to Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended on that date.

As per our attached report of even date

For and on behalf of the Board

For C.P.Ranka & Co.
Chartered Accountants

Ramesh Chandra Singhi
Director

U.C.Bhandari
Director

C.P.Ranka
Partner

Prem Kankaria
Mananging Director

Place : HYDERABAD
Date : 16th June, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

Registration No.	7	5	5	0
State Code	0	1		
Balance Sheet Date	31	03	2009	

ii. Capital raised during the year (Amount in Rs.Thousands)

Public Issue	N	I	L
Rights Issue	N	I	L
Bonus Issue	N	I	L
Private Placement	N	I	L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	8	7	9	1	7	.	2	0
Total Assets	8	7	9	1	7	.	2	0

Source of Funds

Paid - up Capital	3	9	6	9	7	.	5	0
Secured Loans	2	2	5	7	9	.	9	4

Application of Funds

Net Fixed Assets	3	1	7	2	4	.	4	9	
Net Current Assets	5	4	6	6	1	.	9	2	
Accumulated Losses	N	I	L						

Reserves & Surplus	1	7	0	1	8	.	9	2
Unsecured Loans			7	7	5	.	0	7

Investments		1	5	3	0	.	7	9	
Misc. Expenditure	N	I	L						

IV. Performance of Company (Amount in Rs.Thousands)

Turnover (Total Income)	2	0	3	8	0	3	.	2	0
+ / (-) Profit / (Loss) before tax		1	2	2	2	2	.	6	5
Earning per Share (In Rs.)	1	.	9	9					

Total Expenditure	1	9	1	5	8	0	.	5	5	
+ / (-) Profit / (Loss) after tax			7	8	8	9	.	4	3	
Dividend Recommended Rate %	1	0	%							

V. Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC CODE)	3	9	2	0	1	0	1	2			
Product Description	C	O	-	E	X	T	R	U	D	E	D
	M	U	L	T	I	L	A	Y	E	R	
	P	L	A	S	T	I	C	F	I	L	M

for and on behalf of the board

 RAMESH CHANDRA SINGHI
 DIRECTOR

 U.C.BHANDARI
 DIRECTOR

 PREM KANKARIA
 MANAGING DIRECTOR

ELECTRONIC CLEARING SERVICE (ECS) FOR PAYMENT OF DIVIDEND

To the Shareholders

The Company is planning to introduce Electronic Clearing Service (ECS) for payment of dividend. This would facilitate shareholders to obtain the dividend electronically and the payment would consequently be faster and loss of dividend instrument in postal transit would be eliminated.

Under this method, the Company would issue payment instructions to the Clearing House of Reserve Bank of India through the bankers of the Company. The Clearing House would furnish to the service branches of the destination banks branch wise credit reports indicating the beneficiary details such as names of the branches where the accounts are maintained, the names of the beneficiaries, account type, account numbers and the respective amounts. The service~ branch" would in turn pass on the advices to the concerned branches of their bank, which would credit the beneficiary's accounts on the appointed date. An advise of remittance would be sent by the Company to the shareholders opting for electronic transfer.

Considering the benefits derived in ECS for payment of dividend, shareholders are advised to avail this facility. Securities and Exchange Board of India and the Department of Company Affairs, Government of India, have made it mandatory on the part of the Companies to offer ECS facility, wherever the said facility is available.

Presently, ECS facility is available at Fifteen centers of the Reserve Bank of India viz., Ahmedabad, Bangalore, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram. This facility is available only for payment upto a maximum amount of Rs.5 Lacs.

If shareholder holding shares in physical form wish to participate in this scheme, please fill in the ECS Mandate Form printed overleaf in legible and readable form in English preferably in capital letters, sign and return the same to the Registrar and Transfer Agents of the Company immediately. Please note that the information provided by you should be accurate and complete in all respects and duly certified by your bankers. In lieu of Bank certification, you may attach a blank, cancelled cheque or a photocopy of a cheque for verification of the particulars provided by you in the ECS Mandate Form.

In case you require any clarification/assistance, please feel free to contact the Company.

Prem Kankaria
Managing Director

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM

Shareholder's authorization to receive dividends through Electronic Credit Clearing Mechanism

1. Name of the first/sole shareholder : _____
2. Folio No./ Client ID No. : _____
3. Particulars of Bank account of first/sole shareholder : _____
 - a) Name of the Bank : _____
 - b) Branch, Address, Telephone No. of the Branch : _____
 - c) 9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank :
 - d) Account Number: (as appearing on the cheque book/passbook)
 - e) Account type : _____ (S.B. account/current account or cash credit) with code 10/11/13
 - f) Ledger No./Ledger folio no. : _____ (If appearing on the cheque book/pass book)

(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque, or photocopy of a cheque or the front page of the savings bank passbook issued by your bank, for verification of the above particulars). I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I will not hold Raj Packaging Industries Ltd., responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

Place: _____ Date: _____

Signature of the Shareholder

Certified that the particulars furnished above are correct as per our records

Banks Stamp

Date: _____

Signature of Authorized Official of the Bank

Note:

1. Please fill in the attached Mandate Form and send it to:
 - i) The Depository Participant who is maintaining your Oemat account in case your shares are held in *electronic form*.
 - ii) The Address of our Registrar & Transfer Agent, CIL Securities Ltd., 214, Raghavaratna Towel'S, Chi rag Ali Lane, Hyderabad - 500 001 in case your shares are held in physical form.
2. Kindly note that the information provided by you should be accurate and complete in all respects and duly certified by your bank. In lieu of the bank certificate, you may attach a blank cancelled cheque or photocopy of a cheque or the front page of the savings bank pass book issued to you by your bank, for verification of the above particulars.
3. In case of more than one folio please complete details on separate sheets
4. The information provided by you will be treated confidential and would be utilized only for the purpose of effecting the payments meant for you. You also have the right to withdraw from this mode of payment by providing the company with an advance notice of 3 weeks.

**RAJ**

packaging industries ltd.

ATTENDANCE SLIP**RAJ PACKAGING INDUSTRIES LIMITED**6-3-1090/C-4, Opp. Kapadia Lane,
Raj Bhavan Road, Hyderabad - 500 082.**TO BE HANDED OVER AT THE ENTRANCE OF THE VENUE OF THE MEETING**

DP. Id

Folio No.

Client Id

I hereby record my presence at the Twenty Second Annual General Meeting of the Company held at 11.30 A.M. on Saturday, the 19th September, 2009 at Hotel Inner Circle, Lane beside Saboo Motors, Rajbhavan Road, Hyderabad, A.P.

If Signed by Proxy, his name should be written herein Block Letters

Member's/Proxy's Signature
(to be signed at the time of handing over this slip)

PROXY FORM**RAJ PACKAGING INDUSTRIES LIMITED**6-3-1090/C-4, Opp. Kapadia Lane,
Raj Bhavan Road, Hyderabad - 500 082.**TO BE HANDED OVER AT THE ENTRANCE OF THE VENUE OF THE MEETING**

DP. Id

Folio No.

Client Id

I/We _____

in this District of _____ being a Member / Members of RAJ PACKAGING INDUSTRIES LIMITED hereby appoint _____ of _____

as my/our, Proxy to vote for me/us on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held at 11.30 A.M. on Saturday, the 19th September, 2009 at Hotel Inner Circle, Lane beside Saboo Motors, Rajbhavan Road, Hyderabad, A.P. and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Signature _____

Re 1/-
Revenue
Stamp

Note : The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the meeting, otherwise Proxy wil not be allowed to attend the meeting.

**PRINTED MATTER
BOOK - POST**

If undelivered please return to :

RAJ PACKAGING INDUSTRIES LIMITED

6-3-1090/C-4, Opp: Kapadia Lane,

Raj Bhavan Road, Hyderabad - 500 082.

Andhra Pradesh, India.

Ph : 040-23392024 / 25