

# 26<sup>th</sup> ANNUAL REPORT 2012-13

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**RAJ**

**packaging industries ltd.**

## BOARD OF DIRECTORS

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

### 26<sup>th</sup> ANNUAL GENERAL MEETING

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

### REGISTERED & CORPORATE OFFICE

6-3-1090/C-4,  
 Opp. Kapadia Lane  
 Raj Bhavan Road,  
 Hyderabad-500 082  
 Andhra Pradesh, India.  
 Ph.No. (040) - 23392024  
 Fax No.(040)- 23399033  
 Email : hyd2\_rajpack@bsnl.in  
 Email : info@rajpack.com  
 Website: rajpack.com

### WORKS

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

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### BANKERS

**State Bank of India**  
 Saifabad Branch, Hyderabad  
 Andhra Pradesh, India.

### AUDITORS

**C.P.RANKA & CO.**  
 Chartered Accountants  
 Secunderabad,  
 Andhra Pradesh, India.

### REGISTRAR & SHARE TRANSFER AGENT

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



**NOTICE OF ANNUAL GENERAL MEETING**

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

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, Profit & Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' there-on.
2. To appoint a Director in place of Shri. Suresh Chandra Bapna, who retires by rotation in terms of Article 103 of the Articles of Association and is being eligible, offers himself for re-appointment.
3. To reappoint M/s. C.P.Ranka & Co., Chartered Accountants, bearing ICAI Registration No. 119375W as auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

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

**Place : Hyderabad**  
**Date : 29<sup>th</sup> May, 2013**

**PREM KANKARIA**  
**MANAGING DIRECTOR**

#### NOTES

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

**THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. Members are requested to bring their copy of the Annual Report to the Meeting along with the attendance slip duly filled in for attending the meeting and sign at Registration counter at the venue of the meeting.
3. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance Slip for attending the meeting.
4. Members are requested to intimate to the Company at its registered office any change of Address quoting their Share Ledger Folio Number(s).
5. The Share Transfer Books and Register of Members will remain closed from 25<sup>th</sup> September 2013 to 30<sup>th</sup> September 2013 (both days inclusive).
6. No person other than Member/Duly registered proxy with the company with duly filled in attendance slip will be allowed to enter the venue of the meeting.
7. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amount of dividends remaining unclaimed for a period of seven year are to be transferred to investor Education and Protection Fund (IEPF).
8. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company in Form 2B.
9. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred to unpaid or unclaimed dividends for the financial years 2002-03 to 2004-05, to the **Investor Education and Protection Fund** ( the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29<sup>th</sup> September, 2012 (date of last Annual General Meeting) on the Ministry of Corporate Affairs website.
10. Important Communication to Members regarding registering e-mail address please refer page no 49 of this Annual Report

**ANNEXURE TO THE NOTICE**

**Item No. 2**

**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:**

As required under the listing agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

<b>Name of the Director</b>	<b>Sri Suresh Chandra Bapna</b>
<b>Date of Birth</b>	28-09-1941
<b>Nationality</b>	Indian
<b>Date of appointment on the Board</b>	27-07-2004
<b>Qualifications</b>	M.Pharma
<b>Expertise in functional Area</b>	Vast experience in Manufacturing and Industrial activity.
<b>Number of shares held in the Company</b>	—
<b>List of directorships held in other companies</b>	None
<b>Chairman/Member of the Committees of the Boards of other companies in which he is Director as on 31.03.13</b>	None

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

Place : Hyderabad  
Date : 29<sup>th</sup> May, 2013

**PREM KANKARIA**  
**MANAGING DIRECTOR**

#### **CHAIRMAN'S SPEECH AT THE 26th ANNUAL GENERAL MEETING**

Dear Share holders,

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

The Audited Accounts along with Director's and Auditor's report there on for the year ended 31st March, 2013 have been with you for some time and with your permission, I shall take them as read.

#### **INDUSTRIAL STRUCTURE AND ECONOMIC SCENE**

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

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

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

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

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

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

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

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

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

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

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

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

#### **CORPORATE PERFORMANCE FOR 2012-13& PROSPECTS FOR CURRENT YEAR**

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

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

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

#### **CONCLUSION**

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

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

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

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

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

Thanking you.

CHAIRMAN



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2013

## FINANCIAL RESULTS

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

(Rs.in lakhs)

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

## APPROPRIATIONS

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

## PERFORMANCE

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

Your management will continue their effort in improving the performance of the company to bring back on track by expanding market, developing various new structures of films, changing

product mix and concentrating more in value added structure to maintain lead position in the market and to increase not only volume but also profit margins.

#### **CAPITAL**

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

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

#### **DIVIDENDS**

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

#### **FIXED DEPOSITS**

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

#### **TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND**

Some of the amount sent by DD as Dividend has been returned back to the company due to change of address of share holders or non availability. Despite the reminder, the amount remain un claimed and lying in separate account in the bank. The amount of Rs. 11,526/- being unclaimed dividend has been transferred during the year to Investor Education and Protection Fund.

#### **ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

Information in accordance with the provisions of section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo is given as Annexure-'A' forming part of this report.

#### **AUDITORS REPORT**

With reference to the observations made by the Auditors in their report, the notes forming part of Accounts are self explanatory and hence do not require any further clarification.

#### **PARTICULARS OF EMPLOYEES**

None of the employees is drawing remuneration in excess of the limits specified in section 217(2A) of the Companies Act, 1956.

#### **DIRECTORS**

In accordance with the Companies Act, 1956 and Clause 103 of the Articles of association of the company, Shri Suresh Chandra Bapna retire by rotation and being eligible, offers him-self for reappointment.

#### **AUDITORS**

The auditors of the company M/s. C.P.RANKA & Co., Chartered Accountants, Secunderabad retires at conclusion of this Annual General Meeting and being eligible, offer them-selves for re-appointment. The company has received a letter from the auditors to this effect u/s 224 (1-B) of the Companies Act, 1956.

#### **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.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 217 (2AA) of the companies Act,1956 the Directors to the best of knowledge and believe 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 : 29<sup>th</sup> May,2013**

**PREM KANKARIA**  
**MANAGING DIRECTOR**

**ANNEXURE TO THE DIRECTOR'S REPORT**

**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**

**(Amount in Rupees)**

		2012-13	2011-12
<b>1. Electricity</b>			
a. Purchased			
Units	- KWH	<b>1436644</b>	1630302
Total Cost	- Rs.	<b>9023354</b>	6524187
* Average Rate/ Unit	- Rs.	<b>6.28</b>	4.02
b. Own Generation			
Through Diesel Generator			
Units	- KWH	<b>184948</b>	118621
Total Cost	- Rs.	<b>3375985</b>	1943399
Units per Unit of Fuel		<b>2.90</b>	2.81
Cost / Unit	- Rs.	<b>18.25</b>	16.38

**B. Consumption of electricity Per Unit of Production i.e. for finished product**

Electricity (KWH) per K.G of Finished Product.	<b>0.57</b>	0.58
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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)**

	2012-13	2011-12
Research & Development (R & D)	<b>Nil</b>	Nil
Technology absorption, adoption and innovation	<b>Nil</b>	Nil
Foreign Exchange Earnings	<b>Nil</b>	Nil
Foreign Exchange outgo (Rs. in Lakhs)	<b>1326.19</b>	1339.50

## ANNEXURE – ‘B’

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis report covering the performance and outlook of the company is given below:

#### ● 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 realized. 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.

#### ● INDUSTRY STRUCTURE AND DEVELOPMENTS

RPIL is engaged in manufacture of multilayer co-extruded plastic film and flexible packaging material. It is a part of the plastic packaging material industry. The packaging material is important to several products, hence this industry is growing very rapidly not only at its own but also because of growth of several industries which are using packing material. Plastic packaging industry in India, traditionally, are operating as small and medium scale industry. There has been mushrooming growth of small processing industries due to not very high investments and comparative less entry barriers. Unregulated growth has resulted in growth of unorganized sector which is out of purview of regulatory environment resulted in overcapacity distorting the balance between demand and supply.

However, there has been marked changes due to multinational coming into food packaging, rapid growth in organized retail sector, mall culture coming to existence and the customer demands are ever increasing for better quality and sophisticated products.

This has brought about structural changes in the industry - units growing and migrating from small to medium scale. More and more numbers are being added to the organized sector.

We can see technical up gradation both in the machines and processes, development of new generation of raw materials. This has resulted into several new players coming into industry, existing players expanding and creating new capacities thus opening new horizons. Several new high output machines both in processing as well as conversion field are established. This has resulted into over capacity in many areas and industries have been subjected to cut throat competition among players and the fittest will survive.

● **OVERVIEW OF THE ECONOMIC SCENARIO:**

The World Economy continues to face challenges on the road to recovery which is proving to be long and difficult journey. The year 2011 and 2012 had already been a harbinger for global macro-economic slowdown and conditions worsened in the year 2013. The World output growth reduced further from 4% in the year 2011 to 3.2% in the year 2012. In line with trend in last few years, the economic growth in the advanced countries reduced from 1.6% to 1.2% in the year 2012. Unfortunately developing economies and emerging markets have also witnessed a reduction in growth from 6.4% in the year 2011 to 5.1% in the year 2012. The current year 2013 has so far been fragile, full of uncertainty and growth very poor.

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

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

The slowdown in the pace of growth is largely attributable to weakness in the industry which grew by only 3.1% during the year. The manufacturing sector, which accounts for 55% of the industry, recorded a dismal 1.9% growth during the year. Growth in the Agriculture sector has also been weak due to sub-normal rainfall as Indian agriculture is heavily dependent of monsoons. The pace of growth in Services sector- the key driver of economic growth over last few years - also decelerated to 6.6% well below the trend growth levels.

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

The key causes of this sharp down turn include the cumulative impact of persistently high and sticky inflation levels in the economy which led to the RBI adopting a tight monetary policy, lack of political consensus on policy initiatives and reforms and weak investor sentiments under the backdrop of a sluggish global economy.

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

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

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

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

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

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

● **BUSINESS PERFORMANCE and OVEVIEW 2012-13:**

The company continues to travel on growth path in spite of many hurdles. There has been marked improvement in capacity utilization by RPIL after the expansion has been completed in the year to the previous year. The company has been able to achieve higher output per hour and also per unit of power with new plant. There has been marked improvement in the quality of film which we are supplying. The new plant and machinery has given strength to the company to stand in the market amidst keen competition.

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

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

Your company has developed and expanded its market for lamination film supplying to various converters. The share of lamination film to the total volume has steadily been increasing. The flexible packaging industry particularly converting industry is increasing by nearly 12% on year to year basis. This is the niche area providing tremendous support and opportunity for increasing the volume.

The sustained efforts put by the company added by the market situation has resulted into increased orders for five layer film for oil packaging during the current financial year.

However, the company in fact, all plastic processing industry is totally dependent on imported high performance raw material(LLDPE-Mettallocene) for all its value added high performance film. The year has seen high volatility in exchange rate of rupee. The fall in the value of rupee has been high and steep. As a matter of fact rupee has seen the worst fall of all time . This has resulted into increase in cost of very important raw material thus effecting the pricing of the product.

Though company has been able to increase volume and turnover but due to higher raw material costs due to volatility in exchange rate - added to that twin factors of higher interest burden and higher power cost has lead to lower profits.

The year has been very disappointing after several years of good performance.

● **FINANCIAL REVIEW AND WORKING CAPITAL MANAGEMENT:**

RPIL has shown total income of Rs. 3160 lakhs as compared to Rs.2906 lakhs (both are net of excise) for the year. The company's operating profit stood at Rs. 200.13 lakhs and net profit at Rs. (-4.26) lakhs for current year as against Rs.210.67 lakhs and Rs.(-1.96) lakhs for previous year. The company after uninterrupted track record of paying dividend for several years has to skip dividend for yet another year in view of poor performance.

During the year company has issued 6 lakh convertible warrants to promoters on preferential basis. Out of these 2 lakh warrants were converted into equity shares at a premium of Rs. 14/- per share. This has not only resulted into augmenting resources but shows Promoters commitment towards the company.

Since increased activities need increased funds there were stresses on working capital and thus unsecured loans arranged in the earlier years helped to augment medium term resources.

The management feels it is temporary phase and company will soon be generating enough to fund its requirements.

CRISIL has awarded BB /Stable rating to company's Cash Credit and Term Loan facilities with the Bank.

● **OUR OPPORTUNITY:**

Our Indian economy is demand and consumption based so less impacted by slow down and seeing continuous growth particularly food articles and retails, however, growth may be slower than its potential. Domestic Consumption remains one of the key growth engines of the Indian economy. With a large and growing population, significant additions to the working age population over the medium to long term, rising disposable incomes including in rural areas and Government's increasing spends on the social sector to foster inclusive growth - the structural drivers for rapid growth in consumption are in place.

This presents several attractive opportunities especially for packaging sector.

The organized retail sector which was started in India a few years back though not picked up as anticipated but gradually picking up the moment and promise a great future. If that be the case, then packaging is going to play a major roll and promises a big future. We see the per capita plastic consumption to increase in India with the growth of retail sector which will provide immense support to our industry. The domestic polymer consumption has shown healthy growth of more than 15%. The largest sector contributing 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.

● **OUR CHALLENGES:**

Where there are opportunities and prospects for growth, there are challenges too in the form of growing competition. Challenges are within and outside. Within the company the challenge is to maintain quality standards and customer satisfaction. The challenge is to keep the cost low. To



have sustainable growth , the company has to maintain its leadership, and to do that 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.

However, it is more difficult to meet challenges of external factors which are not in hands of company and management. But it is necessary to face them.

● **INTERNAL CONTROL SYSTEMS -THEIR ADEQUACY:**

Our 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.

However, as company is growing, the need is felt to ensure proper monitoring and checking by external agency. Thus company has appointed Internal Auditor with clear and wide scope of checking . Their work will start with end of second quarter results.

The company believes that these internal control systems with proper monitoring by Internal Auditor will 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.

● **SUSTAINABLE GROWTH AND CORPORATE SOCIAL RESPONSIBILITY:**

It is imperative in today's dynamic environment that any business should not only take care of interest of immediate stakeholders but also take care of earth, planet , universe and also society in which it works. Fruits of its growth should be shared between the society.

With new company Law in place which makes CSR mandatory for companies- your company is ready to take on this responsibility. In past also company has contributed towards development of area including roads near to its factory which is rural village. In future also the company has plan to take on more work to uplift the lives of people and the area where it is working .

● **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 goal is to maximize long-term shareholders value by selling its goods. Therefore, it has established business practices based on transparency, accountability and integrity to achieve the above goal. It enables the Board to monitor the state of affairs of the Company and 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 has ensured compliance with the Listing Agreements with the Stock Exchanges.

**ii) Board of Directors**

**a) Composition and Size of the Board**

As on the year ended 31<sup>st</sup> March’ 2013 the Board of Directors had Four members comprising of an executive and Three Non-Executive Directors out of which Three director’s are independent Directors. The board meetings are being chaired by Independent Director. 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 2012-2013 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:

<b>S.No.</b>	<b>Date of Meeting</b>	<b>Board Strength</b>	<b>No.of Directors Present</b>
1	30-05-2012	4	4
2	03-08-2012	4	4
3	03-11-2012	4	4
4	24-01-2013	4	4
5	22-03-2013	4	4

Out of Four directors who were the directors on the Board as on 29<sup>th</sup> September’ 2012, Three 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 29 <sup>th</sup> September, 2012
Sri. Suresh Chandra Bapna	Non-executive & Independent	5	Yes
Sri. V.S.N.Murthy	Non-executive & Independent	5	No
Dr.R.R.Pujari	Non-executive & Independent	5	Yes
Sri. 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 3 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 2012-2013 are given hereunder:

**(Amounts are In Rupees)**

Directors	Salary	Sitting Fees	Total
Sri. Suresh Chandra Bapna	—	50,000	50,000
Sri. V.S.N.Murthy	—	50,000	50,000
Dr.R.R.Pujari	—	50,000	50,000
Sri. Prem Kankaria	30,00,000	—	30,00,000

**e) Audit Committee**

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
Sri. Suresh Chandra Bapna	Non-executive & Independent	4
Sri. V.S.N.Murthy	Non-executive & Independent	4
Dr.R.R.Pujari	Non-executive & Independent	4

Four Meetings of Audit Committee were held during 2012-13. The dates on which the said meeting were held were as follows:

30<sup>th</sup> May, 2012, 03<sup>rd</sup> August, 2012, 03<sup>rd</sup> November, 2012, 24<sup>th</sup> January, 2013. The necessary quorum was present at the meetings.

**f) Remuneration Committee**

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
Sri. Suresh Chandra Bapna	Non-executive & Independent	1
Sri. V.S.N.Murthy	Non-executive & Independent	1
Dr.R.R.Pujari	Non-executive & Independent	1

One meeting of the Remuneration committee were held on 30<sup>th</sup> May, 2012.

**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<sup>st</sup> March, 2013. The company had no transfers pending for more than 15 days as on 31<sup>st</sup> March' 2013.

**h) General Body Meetings held during the last three years**

Date	Time	Venue	No. of Special Resolutions passed	Subject
29-09-2012	10.30 A.M	Hotel Inner Circle, Lane beside Saboo Motors, Rajbhavan Road, Hyderabad	1	Re-appointment of Managing Director
26-09-2011	11.30 A.M	Hotel Inner Circle, Lane beside Saboo Motors, Rajbhavan Road, Hyderabad	Nil	Nil
25-09-2010	11.30 A.M	Hotel Inner Circle, Lane beside Saboo Motors, Rajbhavan Road, Hyderabad	1	Increase in the Remuneration of Managing Director

**i) EGM / Postal Ballot:**

During the year 2012-13, following Special Resolution were passed through **POSTAL BALLOT** conducted and supervised by scrutinizer, Sri S.Sarveswar Reddy, Practicing Company Secretary.

**Details of the Voting Pattern:**

Date of Special Resolution	Item	Votes Cast In Favour	Votes Cast Against	Result
28-02-2013	Issue of Equity shares on Preferential Basis to Promoters & Promoters Group	39	10	Special Resolution was passed with shareholders approval.

**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) Sri. Suresh Chandra Bapna:**

Shri. Suresh Chandra Bapna is Graduate from BITS, Pilani and did his Masters in Pharmacy from Punjab University.

He carries with him vast experience in the line of manufacturing and industry. He worked in very senior positions in various multi national pharmaceutical companies like M/s. Hoechst Pharmaceutical, M/s. Roche Products, M/s Geoferry Manners, M/s. Rhone Poulenc and last with M/s. Lupin Laboratories Ltd. as Associated Director (works). He has attended several international technology conferences and seminars and presented technical papers.

He was also actively Associated with industrial bodies and was President of Marathwada Industries Association and Marathwada Pharmaceuticals Manufactures Associations.

He was also very active in social services through lions club and served as President of Lions Club of Aurangabad, chikalhana.

At present he is Associated with Seth Nandlal Dhoot Memorial Hospital as Administrator.

**ii) 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 07 of Schedule 23 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 However, Show Cause notice received from SEBI in January,2013 which is under adjudication.

**iii) 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 with in the time frame prescribed in this regard.

Newspapers normally published in : English – Financial Express / Business Standard/Economic Times / Business Line  
Vernacular – Andhra Bhoomi / Andhra Prabha.

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

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

**iv) Share Transfer System**

Trading in Equity Shares of the Company is permitted in dematerialised form from 1<sup>st</sup> 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, M/s. 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.

**v) General Shareholder information**

AGM:

Date, Time and Venue	:	30th September, 2013. At 11.30 A.M at Survey No.715, Kondamadugu Village, Bibinagar Mandal, Nalgonda District - 508126
Financial Year	:	April,2012 to March,2013
Date of Book Closure	:	25 <sup>th</sup> September' 2013 to 30 <sup>th</sup> September' 2013 (Both days inclusive)
Listing on Stock Exchanges	:	The Stock Exchange, Mumbai
Stock Code	:	BSE - 530111
Demat ISIN Number for NSDL & CDSL	:	INE 639C01013
Share Registrar & Transfer Agent	:	CIL Securities Ltd. 214, Ragahvaratna Towers, Chirag Ali Lane, Hyd. -500 001.

**vi) Share Price Data**

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

Month	High	Low	Month	High	Low
April,12	13.30	11.30	October,12	22.80	18.95
May,12	12.65	10.00	November,12	26.05	17.35
June,12	12.49	10.46	December,12	23.90	19.50
July,12	28.10	12.00	January,13	26.25	21.90
August,12	25.95	13.95	February,13	26.00	20.95
September,12	28.50	20.85	March,13	24.60	20.00

**vii) Distribution of share holding as on 31<sup>st</sup> March, 2013:**

Shares Held	No. of Share Holders	% of Share Holders	No of Share Held	% of Share Holding
Up to 500	2479	79.15	406057	9.74
501 - 1000	277	8.84	227411	5.45
1001 - 2000	160	5.11	253448	6.08
2001 - 3000	78	2.49	201144	4.82
3001 - 4000	30	0.96	108537	2.60
4001 - 5000	16	0.51	76759	1.84
5001 -10000	41	1.31	305100	7.32
10001 above	51	1.63	2591294	62.15
<b>TOTAL</b>	<b>3132</b>	<b>100.00</b>	<b>4169750</b>	<b>100.00</b>
Physical Mode	691	22.06	451016	10.82
Electronic Mode	2441	77.94	3718734	89.18
<b>TOTAL</b>	<b>3132</b>	<b>100.00</b>	<b>4169750</b>	<b>100.00</b>

Sl.No.	Category	No.of Shares	% of Holding
A.	Shareholding of Promoter & Promoter Group	1204198	28.88
B.	Public Shareholding		
	1. Institutional Investors	1000	0.02
	2. Private Corporate Bodies	280588	6.73
	3. Non-resident Indians	55492	1.33
	4. Indian Public	2626102	62.98
	5. Clearing Members	2370	0.06
	<b>Total</b>	<b>4169750</b>	<b>100.00</b>

**viii) Dematerialization of Shares:**

The Company holds 37,18,734 shares representing 89.18 %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 31<sup>st</sup> March' 2013.

**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.

**Hyderabad**  
**29<sup>th</sup> May 2013**

**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 31<sup>st</sup> March 2013 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 accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (ii) That there were no instances of significant fraud of which we have become aware.

**Hyderabad**  
**29<sup>th</sup> May 2013**

**PREM KANKARIA**  
**MANAGING DIRECTOR**



**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**Raj Packaging Industries Limited**  
**Report on the Financial Statements**

We have audited the accompanying financial statements of **RAJ PACKAGING INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis of Qualified Opinion**

*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 Entitlement, the amount whereof is presently not determinable for want of actuarial valuation report. The accounting method of providing Gratuity and Leave Entitlement liability as and when due is not in accordance with the accounting method prescribed in the Accounting Standard 15 - "Employee Benefits" issued by the Institute of Chartered Accountants of India.*

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us *except for what is stated in the Basis of Qualified Opinion paragraph above*, the impact where

of is presently not ascertainable, the financial statements 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act, to the extent applicable *except what is stated in the para of Basis of Qualified Opinion;*
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For C P RANKA & CO.**  
**Firm Registration No. 119375W**  
**Chartered Accountants**  
**C P Ranka**

**Place : Secunderabad**

**Date : 29<sup>th</sup> May, 2013**

**Partner**

**Membership No. : 106823**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF RAJ PACKAGING INDUSTRIES LIMITED**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, 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 inventories have 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 inventories 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 inventories. 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. 3,30,61,070 and Rs. 2,73,71,533, 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) As per the records examined by us, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (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) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered into the register required to be maintained under Section 301 of the Act have been so entered.
- (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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (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, 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, Excise Duty, Cess which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of dues	Period to which the amount relates	Amount (Rs.)	Forum where the dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Sales Tax	2003-04	70,536	Sales Tax Appellate Tribunal
Andhra Pradesh Value Added Tax Act, 2005	Sales Tax	2004-05	2,03,991	Sales Tax Appellate Tribunal

- (x) The Company does not have accumulated losses as at 31<sup>st</sup> March, 2013 and has not incurred cash loss 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 and in our opinion, the term loan outstanding at the beginning of the year has been applied for the purpose for which it was raised.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, as at March 31, 2013, in our opinion, the funds raised on short-term basis have, *prima facie*, not, been used for long term investment.
- (xviii) The Company has made preferential allotment of 6,00,000 warrants convertible into equity shares on 22<sup>nd</sup> March, 2013 to the promoters and promoters group covered in the register maintained under Section 301 of the Act at a price of Rs. 24 fixed in accordance with the guidelines for preferential issue of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and hence the same is not prejudicial to the interest of the Company. During the year, 2,00,000 share warrants have been converted into equity shares of Rs. 10 each at a premium of Rs.14.
- (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
- (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.**  
**Firm Registration No. 119375W**  
**Chartered Accountants**  
**C P Ranka**

**Place : Secunderabad**  
**Date : 29<sup>th</sup> May, 2013**

**Partner**  
**Membership No. : 106823**

**AUDITORS' REPORT ON CORPORATE GOVERNANCE**

**TO  
THE MEMBERS OF  
RAJ PACKAGING INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **RAJ PACKAGING INDUSTRIES LIMITED** (the Company) for the year ended 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement entered into by the Company, with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanations given to us and representation made by the management, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchanges have been complied with in all material respect by the Company.

We further state that 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.  
Firm Registration No. 119375W  
Chartered Accountants  
C P Ranka**

**Place : Secunderabad  
Date : 29<sup>th</sup> May, 2013**

**Partner  
Membership No. : 106823**

**BALANCE SHEET AS AT 31ST MARCH, 2013**

**(Amount in Rs.)**

Sr. No.	PARTICULARS	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	1	<b>41,697,500</b>	39,697,500
	(b) Reserves and Surplus	2	<b>24,107,330</b>	21,733,146
	(c) Money received against share warrants convertible into equity shares		<b>2,400,000</b>	-
<b>2.</b>	<b>Non-Current Liabilities</b>			
	(a) Long -Term Borrowings	3	<b>34,894,019</b>	48,633,719
	(b) Deferred Tax Liabilities (Net)	4	<b>8,331,847</b>	8,513,278
<b>3.</b>	<b>Current Liabilities</b>			
	(a) Short -Term Borrowings	5	<b>54,357,299</b>	48,693,298
	(b) Trade Payables	6	<b>23,587,600</b>	18,896,197
	(c) Other Current Liabilities	7	<b>13,881,421</b>	12,716,623
	<b>TOTAL</b>		<b>203,257,016</b>	<b>198,883,761</b>
<b>II.</b>	<b>ASSETS</b>			
<b>1.</b>	<b>Non-Current Assets</b>			
	(a) <u>Fixed Assets :</u>	8		
	Tangible Assets		<b>75,453,021</b>	82,001,625
	(b) Non - Current Investments	9	<b>100,000</b>	100,000
	(c) Long -Term Loans and Advances	10	<b>3,997,101</b>	4,004,365
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	11	<b>25,202,895</b>	34,616,596
	(b) Trade Receivables	12	<b>80,045,035</b>	58,809,850
	(c) Cash and Bank Balances	13	<b>1,654,968</b>	2,542,510
	(d) Short-Term Loans and Advances	14	<b>8,209,118</b>	7,053,397
	(e) Other Current Assets	15	<b>8,594,878</b>	9,755,418
	<b>TOTAL</b>		<b>203,257,016</b>	<b>198,883,761</b>
	<b>Significant accounting policies and other notes</b>	<b>1-23</b>		

**Notes 1 to 23 form an integral part of the financial statements**

As per our attached report of even date  
For **C.P.Ranka & Co.**  
**Firm Registration Number: 119375W**  
Chartered Accountants

For and on behalf of the Board

**Prem Kankaria**  
Managing Director

**V.S.N. Murthy**  
Director

**C.P.Ranka**  
Partner  
Membership No: 106823

**Suresh Chandra Bapna**  
Director

Place : Secunderabad  
Date : 29-05-2013

Place : Hyderabad  
Date : 29-05-2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

**(Amount in Rs.)**

Sr. No.	PARTICULARS	Note No.	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
I.	Revenue from Operations	16	<b>315,093,099</b>	289,596,685
II.	Other Income	17	<b>874,135</b>	978,332
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>315,967,234</b>	<b>290,575,017</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of Materials Consumed	18	<b>258,496,397</b>	238,621,319
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	<b>1,106,723</b>	(849,543)
	Employee Benefit Expense	20	<b>8,235,873</b>	7,416,173
	Finance Costs	21	<b>14,070,722</b>	15,565,073
	Depreciation		6,548,605	6,577,778
	Other Expenses	22	<b>28,116,161</b>	24,319,997
	<b>Total Expenses</b>		<b>316,574,481</b>	<b>291,650,797</b>
<b>V.</b>	<b>Profit / (Loss) before tax (III- IV)</b>		<b>(607,247)</b>	<b>(1,075,780)</b>
<b>VI.</b>	<b>Tax Expense:</b>			
	Current Tax		-	-
	Deferred Tax		(181,431)	(879,979)
<b>VII.</b>	<b>Profit / (Loss) for the year (V-VI)</b>		<b>(425,816)</b>	<b>(195,801)</b>
<b>VIII.</b>	<b>Earnings per equity share of face value of Rs. 10 each.</b>	23B-7		
	Basic (in Rs )		<b>(0.11)</b>	(0.05)
	Diluted (in Rs )		<b>(0.10)</b>	-
<b>Significant accounting policies and other notes</b>		<b>1-23</b>		

**Notes 1 to 23 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.**

**Firm Registration Number: 119375W**

Chartered Accountants

**Prem Kankaria**

Managing Director

**V.S.N. Murthy**

Director

**C.P.Ranka**

Partner

Membership No: 106823

**Suresh Chandra Bapna**

Director

Place : Secunderabad

Date : 29-05-2013

Place : Hyderabad

Date : 29-05-2013



**Notes on Financial Statements for the year ended 31st March, 2013**

<b>Note 1 - Shareholders' Funds - Share Capital</b>				
<b>Particulars</b>	<b>As at 31st March 2013</b>		<b>As at 31st March 2012</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
<b>(A) Authorised</b> Equity Shares of Rs. 10 each	5,000,000	50,000,000	5,000,000	50,000,000
<b>(B) Issued,Subscribed &amp; Paid up</b> Equity Shares of Rs. 10 each fully paid up	4,169,750	41,697,500	3,969,750	39,697,500
<b>Total</b>	4,169,750	41,697,500	3,969,750	39,697,500

(a)The Company has only one class of equity shares having par value of Rs.10. Each holder of equity shares is entitled to only one vote. The shareholders have the right to receive interim dividend declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the shareholders. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

b)During the year, the Company in accordance with Shareholders' approval on 28th February,2013 has issued 6,00,000 share warrants convertible into equity shares to the Promoter and Promoter Group on preferential basis at a price of Rs. 24/- per warrant and received a sum of Rs. 36 lacs i.e. 25% of the issue price. The warrants can be converted into equity shares of Rs.10 each at a premium of Rs. 14 within 18 months from the date of allotment i.e 22nd March,2013.

Further, the Company has received application alongwith balance consideration of Rs. 36 lacs for conversion of 2,00,000 warrants into 2,00,000 Equity Shares of Rs.10 each and accordingly, these were allotted to the Promoter and Promoter Group by the Company, at its Board Meeting held on 30th March, 2013.

The amount of Rs. 72 lacs, has been utilised for meeting working capital requirements and towards general corporate purposes.

**(C) Reconciliation of shares outstanding at the beginning and at the end of the year**

<b>Particulars</b>	<b>As at 31st March 2013</b>		<b>As at 31st March 2012</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
Opening Balance	3,969,750	39,697,500	3,969,750	39,697,500
<b>Add :</b> Equity shares issued pursuant to conversion of 2,00,000 share warrants into the equity shares to promoter and promoter group	200,000	2,000,000	-	-
Closing Balance	4,169,750	41,697,500	3,969,750	39,697,500

**(D) The details of shareholders holding more than 5% shares**

<b>Name of Shareholder</b>	<b>As at 31st March 2013</b>		<b>As at 31st March 2012</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Mr. Prem Kankaria (Promoter)	296,526	7.11%	200,400	5.05
Mr. Madhanchand Prasanchand (Public)	515,321	12.36%	36,863	0.93

(E) As per records of the Company, including its Register of Shareholders/Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**Notes on Financial Statements for the year ended 31st March, 2013**

**Note 2 - Shareholders' Funds - Reserves & Surplus**

Amount in Rs.

	As at	
	31st March, 2013	31st March, 2012
<b>(a) Securities Premium Account</b>		
As per last Balance Sheet	1,500,000	1,500,000
(+) Premium on Preferential allotment of Equity Shares during the year	2,800,000	-
	<b>4,300,000</b>	<b>1,500,000</b>
<b>(b) General Reserve</b>		
As per last Balance Sheet	335,971	335,971
<b>(c) Surplus</b>		
As per last Balance Sheet	19,897,175	20,092,976
(+) Net Profit/(Net Loss) for the current year	(425,816)	(195,801)
	<b>19,471,359</b>	<b>19,897,175</b>
<b>Total</b>	<b>24,107,330</b>	<b>21,733,146</b>

**Note 3 - Non-Current Liabilities - Long Term Borrowings**

	As at	
	31st March, 2013	31st March, 2012
<b>(a) Secured</b>		
<b>Term loans from a Bank</b>		
In Indian Currency	16,701,600	-
(The Rate of Interest has been charged from : Current Year 14.35% p.a. to 17.50% p.a; Previous year 16.75% p.a. to 17.50% p.a.)		
In Foreign Currency	-	20,779,534
(Rate of Interest Previous year 9.68% p.a)		
(Term Loan form Bank are secured by way of hypothecation of all the fixed assets of the Company and by way of equitable mortgage of the factory land & building and further secured by personal guarantee of the Managing Director of the Company. It is repayable in 20 equal quarterly installments).		
<b>Less : Amount Disclosed under the head Current Liabilities - Other Current Liabilities (Note-7)</b>	<b>(8,000,000)</b>	<b>(4,000,000)</b>
	<b>8,701,600</b>	<b>16,779,534</b>
<b>(b) Unsecured</b>		
<b>Loans from Related Parties</b>	<b>26,192,419</b>	<b>31,854,185</b>
(Rate of Interest 12% p.a., Previous year 12% p.a) (Repayable after 12 months)		
<b>Total</b>	<b>34,894,019</b>	<b>48,633,719</b>

**Note 4 - Non Current Liabilities - Deferred Tax Liability**

	As at 31st March, 2012	Current Year	As at 31st March, 2013
	Rs.	Rs.	Rs.
Deferred Tax Liability/(Asset) on account of :			
Depreciation	8,360,818	(181,431)	8,179,387
Others	152,460	-	152,460
<b>Deferred Tax Liability / (Asset) (Net)</b>	<b>8,513,278</b>	<b>(181,431)</b>	<b>8,331,847</b>

**Notes on Financial Statements for the year ended 31st March, 2013**
**Note 5 - Current Liabilities - Short Term Borrowings**
**Amount in Rs.**

	As at	
	31st March, 2013	31st March, 2012
<b>Secured</b>		
<b>Cash Credit Facility from a Bank</b>		
In Indian Currency (The Rate of Interest has been charged from : Current Year 14.35% p.a. to 15.75% p.a; Previous year 13.75% p.a. to 17.75% p.a.)	54,357,299	11,559,309
In Foreign Currency (Rate of Interest Previous year 9.43% p.a.)	-	37,133,989
(Secured by a first charge by way of hypothecation current assets of the Company, both present and future and by way of second charge on the fixed assets as mentioned in note 3(a) above. Further, these loans are guaranteed by the personal guarantee of the Managing Director of the Company.)		
<b>Total</b>	<b>54,357,299</b>	<b>48,693,298</b>

**Note 6 - Current Liabilities - Trade Payables**

	As at	
	31st March, 2013	31st March, 2012
Micro, Small and Medium Enterprises*	-	-
Others	23,587,600	18,896,197
<b>Total</b>	<b>23,587,600</b>	<b>18,896,197</b>

\* Refer Note No. 23B-3

**Note 7 - Current Liabilities - Other Current Liabilities**

	As at	
	31st March, 2013	31st March, 2012
<b>Current Maturities of Long Term Debts (Refer Note 3(a) above)</b>		
<b>Term Loans from a Bank :</b>		
In Indian Currency	8,000,000	3,611,682
In Foreign Currency	-	4,000,000
Advances received from Customers	23,266	110,088
Unpaid Dividends - Investor Education and Protection Fund will be credited as and when due.	180,578	198,454
Interest Accrued and Due	3,709,313	3,164,375
<b>Other Payables :</b>		
Statutory Payables	1,538,764	1,317,024
Printing Cylinder Deposits	429,500	315,000
<b>Total</b>	<b>13,881,421</b>	<b>12,716,623</b>

**Notes on Financial Statements for the Year ended 31st March, 2013**

**Note 8 - Non Current Assets - Fixed Assets**

S. No	Fixed Assets	Gross Block (At Cost)						Depreciation				Net Block					
		As at 1st April, 2012		Additions		Deductions/ Adjustments		As at 31st March, 2013		As at 1st April, 2012		Depreciation for the year		As at 31st March, 2013		As at 31st March, 2012	
	<u>Tangible Assets:</u>																
i)	Land- Freehold	144,660	-	-	-	144,660	-	-	-	-	-	-	-	-	144,660	-	144,660
ii)	Buildings	13,830,058	-	-	-	13,830,058	-	-	443,643	-	-	4,011,768	-	-	9,818,290	-	10,261,933
iii)	Plant and Equipments*	125,637,117	-	-	-	125,637,117	-	-	5,976,055	-	-	60,538,759	-	-	65,098,358	-	71,074,413
iv)	Furniture and Fixtures	1,068,274	-	-	-	1,068,274	-	-	4,670	-	-	1,000,910	-	-	67,364	-	72,034
v)	Vehicles	1,460,658	-	-	-	1,460,658	-	-	124,234	-	-	1,136,307	-	-	324,351	-	448,585
	<b>Total</b>	<b>142,140,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,140,767</b>	<b>-</b>	<b>-</b>	<b>6,548,602</b>	<b>-</b>	<b>-</b>	<b>66,687,744</b>	<b>-</b>	<b>-</b>	<b>75,453,023</b>	<b>-</b>	<b>82,001,625</b>
	Previous Year	140,743,921	2,175,643	778,797	142,140,767	60,139,142	54,296,967	6,577,778	60,139,142	82,001,625	735,603	82,001,625					

\* includes Electrical Installations

**Notes on Financial Statements for the year ended 31st March, 2013**

**Note 9 - Non Current Assets - Non Current Investments**

**Amount in Rs.**

	As at	
	31st March, 2013	31st March, 2012
<b>Quoted Mutual Funds</b>		
10000 Units Fully Paid-up (Face Value of Rs. 10 each, Market Value of Rs. 7.28 per Unit)	100,000	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

**Note 10 - Non-Current Assets - Long Term Loans and Advances**

	As at	
	31st March, 2013	31st March, 2012
<b>Unsecured and considered good unless otherwise stated</b>		
<b>Statutory Deposits :</b>		
Electricity Deposits	1,542,857	1,115,957
Other Deposits	90,885	90,885
MAT Credit Entitlement	981,315	981,315
Advance Income Tax & Tax Deducted at Source (Net of Provision Rs. 28,64,144; Previous Year Rs. 20,96,532)	1,382,044	1,816,208
<b>Total</b>	<b>3,997,101</b>	<b>4,004,365</b>

**Note 11 - Current Assets - Inventories**

	As at	
	31st March, 2013	31st March, 2012
Raw Materials	16,824,034	25,097,537
Finished Goods	2,295,616	2,553,276
Work-in-Progress	4,129,805	4,978,868
Printing Cylinders	794,000	704,000
Packing Materials	329,016	279,357
Printing Inks & Chemicals	830,424	1,003,538
<b>Total</b>	<b>25,202,895</b>	<b>34,616,596</b>

**Notes on Financial Statements for the year ended 31st March, 2013**
**Note 12 - Current Assets - Trade Receivables**
**Amount in Rs.**

	As at	
	31st March, 2013	31st March, 2012
<b>Outstanding for a period exceeding six months from the due date</b>		
Unsecured, Considered good	<b>4,284,839</b>	4,573,547
Unsecured, Considered doubtful	<b>686,868</b>	686,868
Less : Provision for Doubtful Debts	<b>(686,868)</b>	(686,868)
	<b>4,284,839</b>	4,573,547
<b>Others</b>		
Unsecured, Considered good	<b>75,760,196</b>	54,236,303
<b>Total</b>	<b>80,045,035</b>	58,809,850

**Note 13 - Current Assets - Cash and Bank Balances**

	As at	
	31st March, 2013	31st March, 2012
<b>a) Cash and Cash Equivalents</b>		
<u>Balances with Banks :</u>		
In Current Accounts	<b>49,602</b>	32,663
In Unpaid Dividend Accounts	<b>188,194</b>	315,577
Cash on Hand	<b>117,172</b>	94,270
<b>b) Other Bank Balances</b>		
Margin Money Deposits with original maturity of less than 12 months	<b>1,300,000</b>	2,100,000
<b>Total</b>	<b>1,654,968</b>	2,542,510

**Note 14 - Current Assets - Short Term Loans and Advances**

	As at	
	31st March, 2013	31st March, 2012
<b>Unsecured, considered good</b>		
Advances recoverable in cash or in kind or for value to be received	<b>7,068,102</b>	6,362,403
Prepaid Expenses	<b>551,016</b>	200,994
Capital Advance	<b>50,000</b>	-
Deposits	<b>540,000</b>	490,000
<b>Total</b>	<b>8,209,118</b>	7,053,397

**Note 15 - Current Assets - Other Current Assets**

	As at	
	31st March, 2013	31st March, 2012
Interest accrued on Deposits	<b>282,021</b>	174,524
Balance with Excise & Sales Tax Authorities	<b>8,312,857</b>	9,580,894
<b>Total</b>	<b>8,594,878</b>	9,755,418

**Notes on Financial Statements for the year ended 31st March, 2013**

**Note 16 - Revenue from operations**

**Amount in Rs.**

	<b>For the year ended 31st March, 2013</b>	<b>For the year ended 31st March, 2012</b>
<b>Sale of Products</b>		
Manufactured Goods	<b>369,003,920</b>	331,626,061
<b>Less</b>		
Excise Duty	<b>(38,980,861)</b>	(30,153,212)
Sales Tax Paid	<b>(14,929,960)</b>	(12,942,756)
	<b>315,093,099</b>	288,530,093
<b>Other Operating Revenue</b>		
Job Work Charges	-	1,066,592
<b>Total</b>	<b>315,093,099</b>	<b>289,596,685</b>

**Note 17 - Other Income**

	<b>For the year ended 31st March, 2013</b>	<b>For the year ended 31st March, 2012</b>
Interest Income	<b>260,809</b>	241,173
Profit on Sale of Investments (Net)	-	50,904
Dividend	<b>900</b>	5,369
Profit on Sale of Fixed Assets	-	157,307
Sales Tax Reimbursement Received	<b>612,426</b>	461,240
Miscellaneous Income	-	62,339
<b>Total</b>	<b>874,135</b>	<b>978,332</b>

**Note 18 - Cost of Materials Consumed**

	<b>For the year ended 31st March, 2013</b>	<b>For the year ended 31st March, 2012</b>
Opening Stock	<b>25,097,537</b>	22,028,730
Add : Purchases	<b>250,222,894</b>	241,690,126
	<b>275,320,431</b>	263,718,856
Less : Closing Stock	<b>16,824,034</b>	25,097,537
<b>Total</b>	<b>258,496,397</b>	<b>238,621,319</b>

**Note 19 - Changes in Inventory**

	<b>For the year ended 31st March, 2013</b>	<b>For the year ended 31st March, 2012</b>
<b>Closing Stock:</b>		
Finished Goods	2,295,616	2,553,276
Work in Progress	4,129,805	4,978,868
<b>Less :</b>		
<b>Opening Stock:</b>		
Finished Goods	2,553,276	1,023,008
Work in Progress	4,978,868	5,659,593
<b>Total</b>	<b>1,106,723</b>	<b>(849,543)</b>

**Notes on Financial Statements for the year ended 31st March, 2013**

**Note 20 - Employee Benefits Expense**

**Amount in Rs.**

	<b>For the year ended 31st March 2013</b>	<b>For the year ended 31st March 2012</b>
Salaries, Wages and Bonus	<b>7,267,726</b>	6,865,877
Contribution to Provident and Other Funds	<b>270,253</b>	247,064
Workmen & Staff Welfare Expenses	<b>697,894</b>	303,232
<b>Total</b>	<b>8,235,873</b>	7,416,173

**Note 21 - Finance Cost**

Interest on :		
- Term Loans	<b>3,031,266</b>	4,397,635
- Cash Credit	<b>6,595,359</b>	6,264,494
- Other Loans	<b>3,675,501</b>	3,901,165
Bank Charges	<b>768,596</b>	1,001,779
<b>Total</b>	<b>14,070,722</b>	15,565,073

**Note 22 - Other Expenses**

<b>Manufacturing Expenses</b>		
Packing Material Consumed	<b>2,259,197</b>	2,084,034
Inks & Chemicals Consumed	<b>6,030,681</b>	6,702,455
Stores & Spares Consumed	<b>901,398</b>	368,674
Power & Fuel	<b>12,399,338</b>	8,467,586
Repairs & Maintenance		
-Plant & Machinery	<b>640,612</b>	794,888
Printing Cylinder Charges	<b>440,804</b>	446,218
<b>Subtotal</b>	<b>22,672,030</b>	18,863,855
<b>Administration and Other Expenses</b>		
Auditors' Remuneration*	<b>60,000</b>	60,000
Directors' Sitting Fees	<b>150,000</b>	140,000
Insurance	<b>361,345</b>	309,222
Printing & Stationery	<b>68,342</b>	94,668
Office Rent	<b>216,000</b>	216,000
Rates & Taxes	<b>163,780</b>	43,189
Telephone, Postage & Telegram	<b>254,782</b>	247,514
Travelling Expenses	<b>405,672</b>	350,497
Vehicle Maintenance	<b>200,544</b>	148,613
Sales Promotion & Advertisement Expenses	<b>115,562</b>	57,729
Loss on Foreign Exchange Fluctuation (Net)	<b>67,968</b>	329,746
Freight & Forwarding Expenses	<b>2,655,233</b>	2,629,834
Discount, Rebate & Rejections (Net)	<b>77,146</b>	111,379
(Increase)/Decrease of Excise Duty on Inventory	<b>(17,112)</b>	210,215
Miscellaneous Expenses	<b>664,869</b>	507,536
<b>Subtotal</b>	<b>5,444,131</b>	<b>5,456,142</b>
<b>Total</b>	<b>28,116,161</b>	<b>24,319,997</b>
<b>* Payments to Auditors</b>		
for Statutory Auditors	40,000	40,000
for Tax Audit	15,000	15,000
for Other Services	5,000	5,000
for Out of Pocket Expenses	7,416	7,416
<b>Total</b>	<b>67,416</b>	<b>67,416</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

**NATURE OF OPERATIONS**

Raj Packaging Industries Limited was incorporated on 18<sup>th</sup> June, 1987 in Hyderabad, Andhra Pradesh. It has got manufacturing facility at the outskirts of Hyderabad and engaged in manufacture of multilayer co-extruded plastic film and flexible packaging material. It is a part of the plastic packaging material industry.

**Note 23**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1) GENERAL**

- i) 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.
- ii) 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**

- i) 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 intended use.
- ii) 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 valued 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. 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. 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.

Interest income is recognized using time proportion method.

**6) BORROWING COST**

Borrowing Costs directly attributable to acquisition and construction of qualifying assets are capitalized 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 Statement of 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**

**i) Provident Fund :**

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

**ii) Gratuity:**

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

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

**9) FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated 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. With respect to foreign exchange contracts entered into for highly probable future transactions or firm commitments, mark to market losses, if any, is recognized at the Balance Sheet date in view of the principle of prudence enunciated in AS – 1.

**10) TAXATION**

Income tax expenses comprise current 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, if any are disclosed in the notes to accounts and are determined based on the management perception that these liabilities are not likely to materialize. Contingent assets are not recognized or disclosed in the financial statements.

#### **Note 23**

#### **B. NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

1. In the opinion of the Board, assets other than fixed assets and non-current investment have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The provision for depreciation and all other known liabilities is adequate and not in excess of the amount reasonably necessary.
2. Balances in Trade Payables, Trade Receivables and Short Term loans and Advances are subject to confirmations, reconciliation & adjustments. In the opinion of the management, adjustments, if any, on such confirmations / reconciliations will not have material impact on the loss for the year.
3. 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.
4. 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.
5. 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.

**6. Earning per share :**

Particulars		2012-13	2011-12
Profit / (Loss) as per Profit and Loss Account	Rs.	(4,25,816)	(1,95,801)
Net Profit / (Loss) attributable to Equity Share holders	Rs.	(4,25,816)	(1,95,801)
Equity Shares outstanding at the beginning of the year	Nos.	39,69,750	39,69,750
Issue of 2,00,000 Equity Shares upon conversion of 2,00,000 Share Warrants on 30.03.2013	Nos.	2,00,000	-
Equity Shares outstanding at the close of the year	Nos.	41,69,750	39,69,750
Weighted Average No. of Equity Shares	Nos.	39,69,750	39,69,750
Nominal Value of Equity Shares	Rs.	10.00	10.00
<b>Basic EPS</b>	Rs.	<b>(0.11)</b>	(0.05)
<b>Dilution:</b>			
No. of equity shares under option at fair value	Nos.	4,00,000	-
Weighted Average No. of Equity Shares	Nos.	43,69,750	-
<b>Earnings per Share:</b>			
Diluted EPS		<b>(0.10)</b>	-

7. 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  
Chetanya Securities Private Limited

ii) **Key Management Personnel**

Shri Prem Kankaria, Managing Director

**Relative of Key Management Personnel**

Miss Neepa Kankaria, Daughter

**(B) During the year, following transactions were carried out with related parties :**

Rupees

S.No.	Nature of Transactions	Companies in which directors are interested	Key Management Personnel	Relative of Key Management Personnel
1.	<b>Unsecured Loan taken</b> Kankaria Leasing & Finance Private Limited Chetanya Securities Private Limited	-- (90,000) <b>44,40,000</b> (70,90,000)	-- -- -- --	-- -- -- --
2.	<b>Interest on Loan taken</b> Kankaria Leasing & Finance Private Limited Chetanya Securities Private Limited	<b>1,80,904</b> (1,89,956) <b>34,94,597</b> (32,82,888)	-- -- -- --	-- -- -- --
3.	<b>Managerial Remuneration</b>	-- --	<b>30,00,000</b> (29,23,515)	-- --
4.	<b>Salary paid to Neepa Kankaria</b>	-- --	-- --	<b>3,00,000</b> (1,25,000)

5.	<b>Outstanding Balances as on 31.03.2013 :</b>			
i)	<b>Non-Current Liabilities - Long Term Borrowings (Unsecured) (Note No.2-a)</b>			
	Kankaria Leasing & Finance Private Limited	<b>16,62,701</b> (17,14,826)	-- --	-- --
	Chetanya Securities Private Limited	<b>2,57,08,832</b> (3,01,93,695)	-- --	-- --
ii)	<b>Current Liabilities - Trade Payables</b>			
	Neepa Kankaria	--	--	<b>24,800</b>
	Prem Kankaria	--	<b>1,62,000</b> (1,56,640)	-- --

**Notes:**

1. No amounts in respect of related parties have been written off / written back during the year.
2. Figures in bracket represent previous year's figures.
3. Related parties are as identified by the management and relied upon by the auditors.
8. a) The Company uses Forward Exchange Contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not enter into any such instruments for trading or speculative purposes.

The following are the contracts entered into by the Company and outstanding at the year-end :

	31.03.2013	31.03.2012
<b>Forward Exchange Contracts:</b>		
No. of Contracts	—	<b>2</b>
<b>Type</b>	—	Sell
US \$ Equivalent	—	<b>11,70,000</b>
INR Equivalent	—	<b>5,84,07,608</b>

- b) The year end foreign currency exposures that have not been hedged are given below:  
Amounts payable in foreign currency on account of the following:

	Year Ended 31.03.2013			Year Ended 31.03.2012		
	Currency	FC Amount	Rupee Equivalent	Currency	FC Amount	Rupee Equivalent
Purchase of Goods/ Services	USD	1,33,170	72,27,136	USD	78,828	40,10,255

**9. Raw Materials Consumed :**

(MT./Rupees)

Particulars	Year ended 31.03.2013			Year ended 31.03.2012		
	MT	Rs.	% of	MT	Rs.	% of
Raw Materials (Imported)	1594.40	13,95,74,777	54.00	1593.73	12,96,87,626	54.35
Raw Materials (Indigenous)*	1247.49	11,89,21,620	46.00	1403.10	10,89,33,691	45.65
<b>Total</b>	<b>2841.89</b>	<b>25,84,96,397</b>	<b>100.00</b>	<b>2996.83</b>	<b>23,86,21,317</b>	<b>100.00</b>

\* Includes sale of Raw Material 22.55 MTS. (Previous Year NIL)

**10. Value of Imports on CIF basis in respect of :**

Rupees

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Raw Materials	13,24,47,032	13,39,49,839
Stores	1,71,696	--

**11. Expenditure in Foreign Currency :**

Rupees

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Interest on Foreign Currency Loans	43,03,930	33,79,623
Travelling Expenses	21,030	--

12. Previous years figures regrouped / rearranged where ever necessary to conform to the current year's presentation.

Signature to Schedules '1' to '23'  
For and on behalf of the Board

**Prem Kankaria**  
Managing Director

**V.S.N. Murthy**  
Director

**Suresh Chandra Bapna**  
Director

Place : Hyderabad  
Date : 29-05-2013

**Cash Flow Statement for the year ended 31st March, 2013**

(All amounts in Indian Rupees, except otherwise stated)

Particulars	March 31, 2013	March 31, 2012
<b>A) Cash Flow from Operating Activities :</b>		
Net Profit / (Loss) before Tax as per Statement of Profit and Loss	(607,247)	(1,075,780)
<b>Adjustment for :</b>		
Depreciation	6,548,602	6,577,778
Interest Income	(260,809)	(241,173)
Dividend Income	(900)	(5,369)
Interest Charged	13,302,126	14,563,294
Profit on sale of Investment	-	(50,904)
Profit on sale of Fixed Assets	-	(157,307)
Operating Profit / (Loss) before Working Capital changes	18,981,772	19,610,539
<b>Adjustments for :</b>		
Current Investments	-	292,337
Inventories	9,413,701	(3,878,435)
Trade Receivables	(21,235,185)	(5,141,312)
Short Term Loans and Advances	(1,155,721)	(1,129,966)
Other Current Assets	1,160,540	(1,781,611)
Short term Borrowings	5,664,001	12,405,828
Trade Payables	4,691,403	(1,500,338)
Other Current Liabilities	1,164,798	633,637
<b>Cash generated from Operations</b>	<b>18,685,309</b>	<b>19,510,679</b>
Direct Taxes Paid	(300,000)	(400,000)
<b>Net Cash (used in) / from Operating Activities</b>	<b>18,385,309</b>	<b>19,110,679</b>
<b>B) Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets (Net)	-	(1,975,143)
Sale of Investments	-	394,145
Interest Received	260,809	220,258
Dividend Received	900	5,369
Long Term Loans and Advances	(7,264)	(649,636)
<b>Net Cash used in from Operating Activities</b>	<b>254,445</b>	<b>(2,005,007)</b>
<b>C) Cash Flow from Financing Activities :</b>		
Proceeds from Long Term Borrowings (Net)	(13,739,700)	(2,076,517)
Issue of share warrants	2,400,000	-
Interest Paid	(12,987,596)	(14,563,294)
Issue of Equity Shares	4,800,000	-
<b>Net Cash from Financing Activities</b>	<b>(19,527,296)</b>	<b>(16,639,811)</b>
<b>Net Increase in cash and cash equivalents</b>	<b>(887,542)</b>	<b>465,861</b>
<b>Cash and Cash equivalents as at 01.04.2012</b>	<b>2,542,510</b>	<b>2,076,649</b>
<b>Cash and Cash equivalents as at 31.03.2013</b>	<b>1,654,968</b>	<b>2,542,510</b>

**Notes:**

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3 - on Cash Flow Statements as defined in Accounting Standards notified under Companies (Accounting Standards) Rules, 2006.
- Previous year's figures have been regrouped wherever necessary.

As per our attached report of even date  
**For C.P.Ranka & Co.**  
**Firm Registration Number: 119375W**  
Chartered Accountants

**C.P.Ranka**  
Partner  
Membership No: 106823

Place : Secunderabad  
Date : 29-05-2013

For and on behalf of the Board

**Prem Kankaria**  
Managing Director

**V.S.N. Murthy**  
Director

**Suresh Chandra Bapna**  
Director

Place : Hyderabad  
Date : 29-05-2013

## **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 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 codc 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, Chirag 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.



**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository Participants.

Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form attached bellow and register the same with the company or registrar at following address or through e-mail

Raj Packaging Industries Limited  
6-3-1090/C-4, Opp. Kapadia Lane,  
Raj Bhavan Road,  
Hyderabad – 500082.  
e-mail : info@rajpack.com

CIL Securities Limited  
214, Chirag Ali Lane  
Abids, Hyderabad - 500 001  
Ph : 040 - 66661267  
e-mail : rta@cilsecurities.com

The shareholders can also register their e-mail with the concerned depository.

You can also visit our Website [www.rajpack.com](http://www.rajpack.com) and register your details by clicking on the Investor Relations section , in the URL <http://121.246.146.252/gogreen/>

Name:..... e-mail id: .....

Address: .....

DP ID:.....

Client ID. :.....

Folio No. :.....

(in case of physical holding)

Signature of member

No. of equity shares held: .....

(the period for which held)

Signature of member





**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 Six Annual General Meeting of the Company held at 11.30 A.M. on Monday, the 30<sup>th</sup> September, 2013 at Survey No. 715, Kondamadugu Village, Bibinagar Mandal, Nalgonda District – 508126. 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 Six Annual General Meeting of the Company to be held at 11.30 A.M. on Monday, the 30<sup>th</sup> September, 2013 at Survey No. 715, Kondamadugu Village, Bibinagar Mandal, Nalgonda District – 508126. A.P. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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 will 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  
Email : [hyd2\\_rajpack@bsnl.in](mailto:hyd2_rajpack@bsnl.in)  
[info@rajpack.com](mailto:info@rajpack.com)  
Website: [www.rajpack.com](http://www.rajpack.com)

## FORM - B

1	Name of the Company	RAJ PACKAGING INDUSTRIES LIMITED, HYDERABAD
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March,2013
3	Type of Audit Qualification	<b>Qualified Opinion :</b>
4	Frequency of Qualification	Repetitive
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	No provision has been made in the respect of estimate total liability for future payment of gratuity and leave encashment at <b>Note No.23 B(4) – Page No. 42 of Annual Report</b>  Directors response appeared at Auditors Report part of Directors Report. <b>Page no. 9</b>
6	Additional comments from the board/audit committee chair	Actuarial valuation of future of liability of Gratuity and leave encashment has been done with LIC and provision made in the books of accounts in June,2013 which will part of financial accounts 20013-14
7	To be signed by	Managing Director

of Raj Packaging Industries Ltd

  
Managing Director