



**APT PACKAGING LTD**

**29<sup>th</sup> ANNUAL REPORT 2009**

**BOARD OF DIRECTORS**

ARVIND MACHHAR  
CHAIRMAN CUM  
MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE-TIME DIRECTOR

RAVI MACHHAR  
DIRECTOR

GHEVERCHAND M. BOTHARA  
DIRECTOR

BALAPRASAD TAPDIYA  
DIRECTOR

**AUDITORS**  
M/S RATHI & BANGAD  
Chartered Accountant, Aurangabad

**BANKERS**  
PUNJAB NATIONAL BANK

**REGISTERED OFFICE**  
GUT NO. 72, VILLAGE PHAROLA,  
POST BEEDKIN, Tq. PAITHAN,  
DIST. AURANGABAD 431105 (MS)  
Website: <http://www.aptpackaging.in>

**LOCATION OF PLANT**  
**CO-EXTRUDED TUBES DIVISION**  
Gut No. 72, Village Pharola,  
Post Beedkin, Tq.-Paithan,  
Dist.- Aurangabad 431105 (MS)

**REGISTRAR AND TRANSFER AGENT**  
M/s LINK INTIME INDIA PVT. LIMITED  
C-13, PANNALAL SILK MILLS COMPOUND  
L.B.S. MARG BHANDUP (W), MUMBAI 400078  
Website: <http://www.linkintime.co.in>

## **Notice of Annual General Meeting**

**NOTICE** is hereby given that the **29<sup>th</sup> Annual General Meeting** of the members of **Apt Packaging Limited** will be held on Saturday, the 25<sup>th</sup> day of July, 2009 at 11.00 AM at the registered office of the Company situated at Gut No. 72, Pharola Village, Paithan Road, Dist.-Aurangabad 431105 (MS) to transact the following business:

### **I) ORDINARY BUSINESS**

1. To consider, approve and adopt the Balance Sheet of the Company as on 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the year ended on that date and the report of the Statutory Auditors and the Directors thereon.
2. To appoint a director in place of Mr. G.M.Bothara who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Rathi & Bangad, Chartered Accountants, as an Auditor of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next annual general meeting and fix their remuneration.

By order of the board

Arvind Machhar  
Chairman cum Managing Director

Place: Aurangabad  
Date: 31<sup>st</sup> May '2009

### **NOTES:**

- 1) A member entitled to attend and vote and is also entitled to appoint a proxy to vote instead of himself and the proxy need not be a member of the company and the proxy in order to be valid must be deposited with the company at least 48 hours before the time for the meeting.
- 2) The Register of Members and the Share Transfer Books of the company will remain closed from 20<sup>th</sup> July, 2009 to 25<sup>th</sup> July, 2009 (both days inclusive).
- 3) The members are requested to intimate to Share Transfer Agent of the Company, changes, if any, in their Registered Address at an early date and bring the copy of the Annual Report and attendance slip at the Annual General Meeting.
- 4) In all correspondence with the Company/Registrars, members are requested to quote their registered folio number.
- 5) All the documents referred to in accompanying notice are open for inspection at the Registered Office of the company on all working days except Sunday and Holidays between 11.00 a.m. to 5.00 p.m. up to the date of Annual General Meeting.
- 6) Section 109A of the Companies Act, 1956, has introduced provisions for nominations by the holders of shares. The prescribed nomination forms can be obtained from the Company's Registrar and Share Transfer Agent, in case of shares. The Members may take advantage of this facility, if need.

**DIRECTORS' REPORT**

To,  
The Members of  
Apt Packaging Limited

Dear Shareholders

The Directors are pleased to present Twenty Ninth Annual Report on the performance of the company for the financial year ended on 31<sup>st</sup> March'2009.

**1. FINANCIAL RESULTS**

Rs. in Lacks

PARTICULARS	YEAR ENDED ON 31/03/2009	YEAR ENDED ON 31/03/2008
Sales and other Income	1,982.74	2,468.18
Less: Operating Expenses	1,655.62	2,011.51
Profit before Interest and Depreciation	<u>327.12</u>	<u>456.67</u>
<b>DEDUCTIONS</b>		
Interest	95.48	49.11
Depreciation & Impairment	191.44	261.25
Operational Profit before Tax	48.81	141.84
Previous Year Income / Expenses	11.42	(2.50)
<b>Net Profit / (Loss)</b>	<u>60.22</u>	<u>139.34</u>
Extra ordinary items -Waiver of Interest by Financial Institution	954.01	1,278.03
Income Tax (FBT)	(5.64)	(5.83)
<b>NET PROFIT FOR THE YEAR</b>	<u>1,008.59</u>	<u>1,411.54</u>

**2. PERFORMANCE REVIEW**

During the year under review the company has recorded sales and other income of Rs.1971.07 lacs as compared to the earlier year of Rs.2468.18 lacs. The exports during the year were for Rs.499.67 lacs as against the earlier year Rs.716.07 lacs. The decrease in turnover was mainly due to the de-merger and partly due to the decline in exports because of melt down in the world economy. The PBIDT for the year was Rs.334.91 lacs as compared to the earlier year of Rs.455.60 lacs. The lower profitability was due to the higher input cost and decline in exports besides also due to de-merger. The higher interest cost has also decreased the profitability for the year under review which on account of term loan for expansion and de-bottlenecking projects which would reap the results from next financial year.

During the year under review we are pleased to inform you that the company has fulfilled most of its obligations in accordance to the sanctioned scheme by BIFR. During the year remaining secured creditors also has since been fully paid. The balance waiver of Rs.954.01 lacs have been written back by crediting it to the profit loss account, with this we are pleased to inform you that the net worth of your company now has become substantially positive which could be seen from the following chart:

S. No.	Particulars	Amount (Rs. In Lacs)
1	Equity Capital	276.35
2	Reserve & Surplus	1,139.75
3	Accumulated Losses	721.45
4	Net Worth	694.65

**3. OPERATIONAL PERFORMANCE**

During the year under review 344.45 lacs tubes were produced as compared to the previous year production of 386 lacs tube. The company has put more emphasis on production of tubes of higher diameter and different dispensation system which we would result into higher value addition. Due to the de-bottlenecking cum expansion project in place your directors are of the view that the turnover and profit of the company would increase in the coming years.

The Company is implementing the expansion and de-bottlenecking project which is approx. 60% completed and the same is planned to be completed by July /August, 2009. After the completion the benefits will come and the top line and bottom line of the Company will further increase

**4. DEMERGER OF COMPANY**

Pursuant to the sanctioned scheme (SS) ordered by the Hon'ble BIFR, the demerger of the company has effected accordingly. (Ref. Note No 5 of Schedule 13)

**5. ISSUE OF NEW SHARES**

Pursuant to the sanctioned scheme and considering the effect of de-merger, capital restructuring and consolidation of shares, 27,63,467 number equity shares at Rs.10/each has been issued to the respective shareholders

## 6. PROPOSED EXPANSION PLANT AT UTTARAKHAND

Because of the excise, income tax and sales tax benefits offered by the State and Central Government in Uttarakhand and as part of overall strategy of the company and to attain the long term sustainable competitive advantage, the company is expanding its capacity by putting up a new manufacturing facility in Uttarakhand.

## 7. DIVIDEND:

Even though the net worth of the company has become positive and the company also earned profit during the year but since the accumulated losses have not been fully wiped off, the Board of Directors express its inability to declare any dividend for the year ended 31st March 2009.

## 8. FIXED DEPOSIT:

Your Company has not accepted any deposits under section 58A of the Companies Act, 1956, from the public during the year.

## 9. INSURANCE:

All the properties of the Company including Plant & Machinery, Stores and Stocks, wherever necessary and to the extent required have been adequately insured.

## 10. APPOINTMENT/REAPPOINTMENT OF DIRECTORS

Shri. G.M. Bothra, Director of the company is retiring by rotation and being eligible offers him for reappointment. The Board recommends his re-appointment. BIFR nominee Smt. Aruna Makhan, Director retires as per her terms of appointment after attaining the age of 65 years. The Board of Directors recognizes her contribution to the Board.

## 11. AUDITORS:

M/s. Rathi & Bangad, Chartered Accountants, Aurangabad, the Statutory Auditors of the Company are retiring at the forthcoming annual general meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

## 12. PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration exceeding the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules 1975.

## 13. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, the Board confirms that:

- The financial statement is in full conformity with the requirements of the Companies Act, 1956, and applicable accounting standards have been followed along with proper explanation relating to material departure.
- The directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for preventing and detecting fraud and other irregularities.
- The directors have prepared the Annual Accounts on a going concern basis.

## 14. INFORMATION TECHNOLOGY (IT)

The Company firmly believes that IT is the backbone of any industry in today's environment. The Company has taken it as a tool to improve the productivity, efficiency and reliability. The Company has implemented mini ERP programme at its manufacturing facility

## 15. HEALTH, SAFETY AND ENVIRONMENT

The company also accords highest priority to Protection of Environment. The Company has effective waste management systems to prevent any hazards to the environment. The company has taken adequate steps to prevent occurrence of any accidents. The Company has also taken measures to ensure Health and Safety of its employees and work force. The company conducts regular medical check ups and counseling to ensure fitness of its employees.

## 16. AUDITORS' OBSERVATIONS:

- Refer to point no 3(f) of the Auditors Report: In view of the legal suit for recovery of dues from Sachit Plastics Pvt. Ltd pending in the court of law. In the opinion of the management, the same is recoverable and it would be prudent not to provide for interest on such dues and accordingly no provision for interest is made in the accounts. Refer to note no.6 of scheduled 13.
- Refer Point No. 7(g) of the Auditors Report: In respect of unsecured creditors/debtors, the company is following the system of perpetual confirmation and reconciliation. Accordingly, all the accounts are reconciled and adjusted as and when a note of discrepancy is received from the concerned party. Refer to note no.8 of schedule 13.

## 17. SUBSIDIARY COMPANY

A statement pursuant to section 212 of the Companies Act, 1956 in respect of the subsidiary company is appended to the Balance Sheet.

## 18. REPORT ON CORPORATE GOVERNANCE

A report on Corporate governance as required in terms of clause 49 of the Listing Agreement with the Bombay Stock Exchange, containing required details is annexed with corporate governance report and forming part of this report.

## 19. CORPORATE SOCIAL RESPONSIBILITY

The Company is making all efforts to continue the manufacturing activities and come out of BIFR and thereby continue to keep the employment of the employees, contribute towards the exchequer by way of direct and indirect taxes, generate foreign exchange for the country through exports and contribute to the productivity of the Country.

## 20. RELATION WITH EMPLOYEES

The relation with the employees continued to be cordial during the year. The directors wish to place on record their sincere appreciation for the excellent team spirit with which they have worked for the progress of the Company.

## 21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ETC

- Conservation of Energy:** The Company consistently pursues reduction in energy consumption in its manufacturing process on an ongoing basis. The Company have been granted monetary Incentive from Govt. of Maharashtra for energy saving.
- Technology Absorption:** The Company has installed new Plant & Machinery with new technology during the year.
- Foreign Exchange Earning and Outgo:** Foreign Exchange earning of the Company is Rs.442.97 lacs for the year under review, whereas the outgo is Rs.373.13 lacs.

## 22. ACKNOWLEDGEMENT

The Director place on record their sincere gratitude to the employees of the Company for their hard work and to the Banks, Government Authorities, Financial Institutions and other Statutory Authorities for their continued support and the investors for their trust and confidence on the management of the Company.

BY ORDER OF THE BOARD

PLACE: AURANGABAD

DATE : 31<sup>ST</sup> MAY 2009

ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTOR

**STATEMENTS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO THE COMPANY'S INTEREST IN ITS SUBSIDIARY COMPANY,  
M/s NAVNEET MACHINES MANUFACTURING COMPANY PVT. LTD**

1. Name of the Subsidiary Company	:	Navneet Machines Mfg. Co. Pvt. Ltd.
2. Date from which it become subsidiary	:	16th May, 1985
3. Financial year of the subsidiary company ended	:	31st March, 2009
4. (a) No. of equity shares held by Apt Packaging Limited and its Nominees in the subsidiary as at the end of the financial year of the subsidiary Company.	:	9980 Equity shares of Rs.10/- each
(b) Capital and reserves of the subsidiary as at the end of the financial year of the subsidiary Company.	:	
i) Capital	:	Rs. 1,00,000/-
ii) Reserves and Surplus	:	Rs. 17,116/-
(c) Extent of interest of Apt Packaging Limited.	:	99.80% capital of subsidiary at the end of the financial year of the subsidiary company
5. Net aggregate amount of profits of the subsidiary so far as they concern the members of the Apt Packaging Limited.	:	
a) Profit for the subsidiary's Financial year ended on 31/03/2009	:	Nil
b) Profits for the previous Financial years of the subsidiary since it become the subsidiary of Apt Packaging Limited.	:	Nil
6. Net aggregate amount of the subsidiary's profits not dealt within the Accounts of Apt Packaging Limited.	:	
a) For the subsidiary's Financial year ended on 31/03/2009	:	Nil
b) For its previous Financial year	:	Nil
7. Net aggregate amount of the subsidiary profits dealt within the Accounts of Apt Packaging Limited.	:	
a) For the subsidiary's Financial year ended on 31.03.2009	:	Nil
b) For its previous Financial year	:	Nil

**CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2009**  
(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

**1. COMPANY'S PHILOSOPHY**

The Company believes that the code prescribes a minimum framework for governance of a business in corporate framework. The company has set, as its mission, the implementation of a Corporate Governance system to ensure transparency, control, accountability and responsibility in all areas of operation. Corporate Governance is considered as, to protect and achieve enhanced value for all its stakeholders i.e. shareholders, employees, customers and society in general.

**2. BOARD OF DIRECTORS**

The Board of Apt Packaging Limited consisted of two executive directors, one non executive / promoter's group director, one special nominated / independent director and two non-executive/independent directors, who are acknowledged as leading professionals in their respective fields. Subsequent to the financial year under consideration Mrs. Aruna Makhan (BIFR Nominee) retired from the directorship of the company after attaining ceased to be as Director's of the Company

The constitution of Board in the year under consideration is as under:

Director	Executive/ Non-Executive Independent*	No. of other Directorship#	Membership Committees/ Chairmanship
Shri Arvind Machhar Chairman Cum Managing Director	Executive	Three	1/0
Shri Sandeep Machhar Whole-Time Director.	Executive	Five	NIL
Shri Ravi Machhar Director	Non-executive	Eight	NIL
Smt. Aruna Makhan BIFR Nominated Director	Non-executive Special	Nil	2/0
Shri Gheverchand Bothara Director	Non-executive Independent	One	2/2
Shri Balaprasad Tapdiya Director	Non-executive Independent	Nil	3/1

None of the Director holds Directorship in more than 15 companies, Membership in Committees of Board in more than 10 Companies and Chairmanship of Committees of Board in more than 5 Committees.

An Independent Directors are directors who apart from receiving director's remuneration i.e. sitting fees does not have any material pecuniary relationship or transaction with the Company, its promoters or its management or its subsidiaries, which in the judgment of the Board may affect their independency of judgment.

# This includes directorship held in private limited Companies.

Attendance of Directors at Board Meeting and Annual General Meeting

The Board of Company met four times during the last financial year, on the following dates:

(1) 30th April, 2008 (2) 31st July 2008 (3) 25th October, 2008 (4) 31st January, 2009.

The attendance at the Board Meetings and previous Annual General Meeting as under:

Name of Director	Attendance	
	Board Meeting	Annual General Meeting
Shri Arvind Machhar	3	2
Shri Sandeep Machhar	4	2
Shri Ravi Machhar	2	1
Smt. Aruna Makhan	2	---
Shri G. M. Bothara	4	2
Shri B.H. Tapdiya	4	2

During the year Smt Aruna Makhan and Shri Ravi Machhar were appointed as new Directors of the Company

### 3. AUDIT COMMITTEE

During the financial year 2008-09, four meetings were held on the following dates:

(1) 30th April, 2008 (2) 31st July 2008 (3) 25th October, 2008 (4) 31st January, 2009.

The Constitution of the committee and the attendance of each member of the Committee are given below:

Name	Designation	Non-executive / Independent	Professional	Committee Meetings Attended
Shri G. M. Bothara*	Chairman	Non-executive / Independent	Consultant	Four
Smt. Aruna Makhan	Member	Non-executive / Independent	BIFR Nominee	One
Shri B. H. Tapdiya*	Member	Non-executive / Independent	Consultant	Four

General Manager (F&A) of the Company is the secretary of the committee.

\* Possesses expert knowledge in finance, accounts and taxation.

The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 22nd September 2008.

The minutes of the Audit Committee were circulated to the Board, discussed and noted.

The terms of reference of the Audit Committee inter-alia include the following:

- To hold periodic discussion with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the company, internal control system, scope of audit and observations of the Auditors/Internal Auditors;
- To review compliances with internal control system;
- To review quarterly, half yearly and annual financial results of the Company before submission to the Board;
- To investigate into any matter in relation to item specified in section 292A of the Companies Act, 1956, or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the company and also seek external profession advice if necessary;
- To make recommendations to the Board in relation to appointment and terms of Statutory Auditors and Internal Auditors
- To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.

### 4. REMUNERATION COMMITTEE

The Board of Directors formed the Remuneration Committee, which consists of the following directors:

Name	Designation	Executive/Non-Executive/Independent
Shri G. M. Bothra	Chairman	Non-executive Independent
Smt. Aruna Makhan	Member	Non-executive Independent & Nominated
Shri B. H. Tapdiya	Member	Non-executive Independent

General Manager (F&A) of the Company is the secretary of the committee.

During the financial year 2008-2009, one meeting was held on 25th October, 2008 which was attended by Shri G.M.Bothara and Shri B.H.Tapdiya as the members of the committee.

Details of remuneration paid/payable to directors for the year ended March 31, 2009 are as follows:

Director	Relation-ship with other directors	Business relation	Loans and advances ship with ACIL	Sitting Fees* Rs. From ACIL	Salary and Perquisites Rs.	Commis-sion Rs.	Total
Shri Arvind Machhar	Related to Shri Sandeep Machhar	Promoter	NIL	Nil	11,33,006	Nil	11,33,006
Shri Sandeep Machhar	Related to Shri Arvind Machhar	Promoter	Nil	Nil	8,04,528	Nil	8,04,528
Smt. Aruna Makhan	None	BIFR Nominee	NIL	2,000	NIL	NIL	2,000
Shri G.M. Bothra	None	Professional	Nil	8,000	Nil	Nil	8,000
Shri B.H. Tapdiya	None	Professional	Nil	8,000	Nil	Nil	8,000

### 1. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board has constituted an Investors Grievances Committee which looks into shareholders and investors grievances.

The following are the members of the committee:

Name	Designation	Executive/Non-Executive/Independent
Shri B. H. Tapdiya	Chairman	Non-Executive Independent
Shri Arvind Machhar	Member	Executive

General Manager (F&A) of the Company is the secretary of the committee. The minutes of the Shareholders'/Investors' Grievance Committee Meeting were circulated to the Board, discussed and taken note of. Secretary to the Committee is also the looking after day to day working related to transfer of shares, correspondence with the shareholders, SEBI, etc. The said committee administered the following activities:

- a) To look into and supervise the redress of shareholders/investors complaints like Transfer of shares, Transmission of shares, Issue of Duplicate Share Certificates, Change of Address, Change of Status, Change of Name Transposition of shares, etc.
- b) To consider and approve transfer of shares, dematerialization of shares deletion of name, splitting and consolidation of shares etc.
- c) To delegate any of its responsibilities to any officer of the company or to the Registrars and transfer Agents and to supervise the proper exercise of delegated powers.

During the financial year 2008-2009, one meeting was held on 25th October, 2008 which was attended by all the members of the committee. The CDSL is not creating the new ISIN Number for the new shares issued post capital reduction, de-merger and consolidation of the shares for want of in principal approval of the BSE. Therefore the Company could not issue these new shares to the shareholders holding shares in the electronic form. The Company has taken up the matter with the BSE and same is expected to be resolved shortly.

**6. GENERAL BODY MEETING**

The locations and time of the Annual General Meeting held during the last 3 years are as follows:

Annual General Meeting	Date	Time	Venue	No. of Sepcial Resolutions Passed
Twenty Sixth	30/09/2006	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad - 431105-(MS)	Five
Twenty Seventh	10/09/2007	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad - 431105 (MS)	Two
Extraordinary General Meeting	30/04/2008	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad - 431105 (MS)	NIL
Twenty Eighth	22/09/2008	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad - 431105 (MS)	Four

In the twenty eighth Annual General Meeting the shareholders passed one special resolution under section 17 of the Companies Act, 1956 for alteration in the memorandum (object clause) and one more special resolution under section 146(2) of the Act for shifting of the registered office of the Company in the same city. However these resolutions could not be carried over as these transactions were required to be passed through postal ballot. Therefore the Company is started process for passing these resolutions through postal ballot.

**7. DISCLOSURES**

- ♦ No Transaction of material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transaction, in which directors are interested, is placed before the Board regularly.
- ♦ There are the related parties transactions i.e. transactions of the Company with its Promoters, Directors and Management not conflicting with Company's interest, the details of which have been shown in Note No 2 of Schedule 13 forming part of the Accounts for the year ended 31st March, 2009.
- ♦ There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchange does not arise.

**8. NOTE ON DIRECTORS APPOINTMENT/RE-APPOINTMENT**

Shri B.H.Tapdiya is liable to retire by rotation and being eligible offered him self for re-appointment. He is Commerce Graduate having vast knowledge about Income Tax, Excise, Sales Tax and allied matters.

**9. MEANS OF COMMUNICATION**

The Company had submitted its quarterly, half yearly and financial results to the stock exchange soon after its approval by the Board and published the same in leading national newspapers (i.e. Lokmat in English and Gawkari in Marathi). The Company did not display the financial results on its website.

**10. GENERAL SHAREHOLDER INFORMATION**

**a) Annual General Meeting**

- \* Date, Day and Time : 25th July, 2009 Saturday at 11.00 AM
- \* Venue : Gut No. 72, Pharola village, Paithan Road  
Dist. Aurangabad 431105

**b) FINANCIAL CALENDER**

The financial year of the company is April, 2008 to March, 2009.  
Financial reporting for

- Quarter ending June 30, 2008	: Last week of July, 2008
- Half year ending September 30, 2008	: Last week of October, 2008
- Quarter ending December 31, 2008	: Last week of January, 2009
- Year ending March 31, 2009	: Last week of May, 2009

**ANNUAL GENERAL MEETING**

For the year ending March 31, 2009 : 25th July, 2009



- c) Date of book closure : 20th July, 2009 to 25th July, 2009  
(Both days inclusive)
- d) Dividend Payment Date : No dividend is declared for the year
- e) Listing of Equity Shares on Stock Exchange :  
The Stock Exchange, Mumbai,  
1st Floor, Rotunda Building, B.S. Marg, Fort Mumbai 400001
- f) **Scrp Code:** The scrip code of the Company is 506979 and  
ISIN No. of the Company is INE 046E01017 (New ISIN is to be allotted by CDSL for new shares)

g) **Market Price Data:**

The trading in the shares of the Company was suspended since 15.04.2008 due to record date of 30.04.2008 fixed for issue of new shares post capital reduction, de-merger and consolidation of shares. The Company has made application to Bombay Stock Exchange for listing of the new equity shares. This application is under consideration of the exchange and the listing is awaited. In view of the same, the trading of the shares of the Company was done only in the month of April, 2008 in which is as under:

Months	Bombay Stock Exchange	
	High Rs.	Low Rs.
April 2008	19.74	12.86

h) **Registrar and Transfer Agents:**

M/s LINK INTIME INDIA PVT. LIMITED  
C-13, PANNALAL SILK MILLS COMPOUND  
L.B.S. MARG BHANDUP (W), MUMBAI 400078  
Website: <http://www.linkintime.co.in>  
Email : [sharad.patkar@linkintime.co.in](mailto:sharad.patkar@linkintime.co.in)

i) **Share Transfer System:**

The Company has retained M/s Link Intime India Pvt. Limited, Mumbai to carry out the transfer related activities. All valid transfer are affected within stipulated days and taken on record by the Board of Director of the Company. Share Certificates and Transfer deeds are received at Registered Office and Share Transfer Agent for doing the needful. Trading in Securities of the Company can be done only in Dematerialized form and Company has signed agreement with Central Depository Services Limited.

j) **Distribution of Shareholding as on 31st March, 2009 is as given below:**

Slab of Shareholding	Shareholders	% to total	No. of Shares	% to total
Up to 500	10009	97.7823	716286	25.9198
501 to 1000	98	0.9574	67254	2.4337
1001 to 2000	41	0.4005	62970	2.2787
2001 to 3000	15	0.1465	39096	1.4147
3001 to 4000	10	0.0977	35086	1.2696
4001 to 5000	11	0.1075	50668	1.8335
5001 to 10000	15	0.1465	111258	4.026
10001 and above	37	0.3615	1680849	60.8239
<b>TOTAL</b>	<b>10236</b>	<b>100.00</b>	<b>2763467</b>	<b>10000</b>

k) **Dematerialization of shares and liquidity:**

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that any delivery in the Company's shares against stock exchange trades became compulsory in demat format. As on 31/03/2009, 1,04,219 equity shares (3.78% of the total number of shares) have been dematerialized. The new shares in the dematerialized form are yet to be issued after allotment of new ISIN number by CDSL which is pending for the receipt of in principal approval from BSE.

l) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : NIL**

m) **Plant Locations:** The Companies plant for co-extruded tube is located at Gut No. 72, Village Pharola, Tq. Paithan, Dist. Aurangabad (MS) 431105

n) **Address for correspondence:**

M/s Apt Packaging Limited  
J-18, MIDC Chikalthana, Dist. Aurangabad 431006 (MS)  
Tel No.: 0240-2480648/638 Fax.: 0240-2485027  
Email ID : [deepakkhandelwal@aptpackaging.in](mailto:deepakkhandelwal@aptpackaging.in)  
Website : [www.aptpackaging.com](http://www.aptpackaging.com)

o) **Exclusive e-mail ID for redressal of investors complaints**

Email ID: [investors@aptpackaging.in](mailto:investors@aptpackaging.in)

11. **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

**INDUSTRIES STRUCTURE AND DEVELOPMENT**

In developing countries, the Co-extruded tubes manufactured by the company are used by the cosmetic industry for packaging of their cosmetic products but in the developed countries such as ours the cosmetics were packed in the laminated tubes. Due to the consistent efforts of the marketing team of the company the trends are now changing and the cosmetic industry is shifting from laminated tube packaging to co-extruded seamless tube packaging. There is good demand of the product in the overseas markets. The demand in domestic as well as in export markets is expected to increase.

**OPPORTUNITIES AND THREATS**

The use of co-extruded seamless tubes in the developed countries is not new; therefore export potential of the co-extruded seamless tubes to

the developed countries is enormous. The marketing team of our tube division has strategic plan to enter into export market and accordingly have participated in major cosmetic exhibition around the world. These efforts have started bringing results. With the increased demand in the domestic market along with the continued exports the capacity utilization of the plant is likely to increase continuously which would result into improved productivity and profitability. The demand in the domestic market is also increasing. The Company has planned for expansion and de-bottlenecking plans to increase the level of production which is under implementation. The Company is also plans to install one new manufacturing unit in the State of Uttarakhand.

**OUTLOOK**

According to the order for Sanctioned Scheme by the BIFR your company has paid in full to all secured creditors and the net worth of the Company turns to positive.

**RISK AND CONCERN**

1. Higher raw material prices due to higher crude rates
2. Recession / slowdown in world economy
3. Increasing cost of man power

**Auditors' Certificate on clause 49 Compliance**

**The member's of  
Apt Packaging Limited**

We have reviewed the records concerning the company's compliance of condition of corporate Governance as stipulated in clause 49 of the Listing Agreement entered in to, by the company with the Stock Exchange of India for the financial year ended on 31st March 2009.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have conducted our review on test basis of the relevant records and documents maintained by the Company and Company Secretary's Compliance Certificate furnished to us and according to information and explanations given to us by the Company.

Based on such review in our opinion the company has complied with the conditions of Corporate Governance except not having whole time company secretary, as stipulated in clause 49 of the said Listing Agreement

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

**For Rathi & Bangad  
Chartered Accountants**

**Date : 31/05/2009  
Place : Aurangabad.**

**Dilip D. Jain  
Proprietor  
M. No. 44301**

**REPORT OF THE AUDITORS  
TO THE MEMBERS OF APT PACKAGING LIMITED**

We have audited the attached Balance Sheet of **APT PACKAGING LIMITED as at 31st March 2009**, the Profit & Loss Account of the Company and the Cash Flow Statement for the year ended on that date (together referred to as "Financial statement"). These financial statements are the responsibility of the Company's management. Our responsibility is to express opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of the Companies Act, 1956, we report that:

- 1) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of test checks of the books and the records of the company and according to the information and explanations given to us, we annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) **The Demerger of the Company has taken place during the year which was approved by the Annual General Meeting held on 30.09.2006 and also give accent by the Honorable Board for Industrial and Financial Reconstruction (BIFR) with cut of date as on 01.04.2007. The resulting Company Machhar Infrastructure Limited is formed on 29.07.2008 under Registration No.185168 with Registrar of Companies (Mumbai). Hence in accordance with and to comply with the said order the Assets and Liabilities along with Turnover of resulting company up to 30.09.2008 has been duly transferred to resulting Company in accordance with the resolution passed and taken on record by the board of directors. (Refer Note No. 5 of Schedule 13)**
- 3) **The Company has approved the consolidation of authorized, issued and paid up equity share capital of the company into Rs.10/- per shares in its Extra ordinary General Meeting held on 30.04.2008 and accordingly implemented during the year. (Refer Note No.20 in Schedule No.13)**
- 4) We are unable to express our opinion about the recoverability of inter corporate deposit of Rs.111.43 Lacs to M/s Sachit Plastics Pvt. Ltd. against which the company has filed a suit for recovery, still shown as good and recoverable. (Refer Note No.6 in Schedule No.13).
- 5) Further to our comments in the Annexure referred to above, we report that:
  - a) Subject to what is stated at point no. 'f' below, we have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by Law have been kept by the company as far as appears from our examination of these books.
  - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
  - d) In our opinion, Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act 1956.

- e). On the basis of the written representations received from the Directors, taken on record by the Board of Directors, and according to the information and explanations given to us, none of the directors is disqualified as on 31st March 2009 from being appointed as a Director under section 274(1)(g) of the Companies Act, 1956.
- f). The accounts in respect of creditors, debtors, loans and advances given & taken, are subject to confirmations, reconciliations and consequent adjustment, if any. (Refer Note No.8 in schedule 13.)
- 6) In our opinion, Subject to what is stated in Para 2, 3 and 4 and point no. f of paragraph 5 above, and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and Notes to Accounts and in particular Note no. 15 in Schedule 13 regarding balances etc with Micro, Small and Medium enterprises give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principals generally accepted in India:
- a) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2009 and
- b) In the case of Profit and Loss Account, of the 'Profit' for the year-ended on that date.
- c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Rathi & Bangad  
Chartered Accountants

Date : 31/05/2009  
Place : Aurangabad.

Dilip D. Jain  
Proprietor  
M. No. 44301

**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 4 OF OUR REPORT OF EVEN DATE OF  
APT PACKAGING LIMITED**

- 1) a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. Some of the fixed assets are physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. The Fixed assets are disposed off by the company during the year do not form a substantial part thereof.
- 2) a. As informed to us, the stock of finished goods, work-in-process and raw materials at all the units of the Company have been physically verified by the Management once in a year except for the goods lying with the third parties. In our opinion, it should be conducted at least twice a year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of Company and the nature of its business.
- c. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- 3) a. The Company has taken interest free loans from two directors, five Shareholders and one promoter Group Company covered in the register maintained under Section 301 of the Companies Act, 1956 to meet the short fall in repayment of dues to financial institutions as per restructuring schedule. The maximum amount involved during the year is Rs. 176.96 Lacs and the year end balance of loans Rs. 176.96 Lacs
- b. According to the information and explanation given to us, the above loan is interest free and is to be converted into equity shares, hence whether reasonable steps for the repayment of the same has been made or not does not arise. The terms and conditions of such loans are not prejudicial to the interests of the company.
- c. The Company had given unsecured loans of Rs.0.87 Lacs to its wholly owned subsidiary and Rs. 14.82 Lacs inter-corporate deposit to resulting Company on Demerger. The same is interest free and long term. Therefore there is no overdue amount.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- 5) a. According to the information and explanation given to us, we are of the opinion that the transaction that needs to be entered in to the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanation given to us, there are no such transactions exceeding Rs.5 Lacs each which have been made at prices, which are not reasonable having regard to the prevailing market prices; for such goods, materials or services at the relevant time.
- 6) The Company has not accepted any deposits from the public within the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- 7) In our opinion, the company has an adequate Internal Audit system commensurate with its size and the nature of its business.
- 8) According to the information and explanations given to us, no cost records have been prescribed under section 209(1) (d) of the Companies Act, 1956 for any of its products.
- 9) According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including P.F., customs, excise duty, income tax, sales tax, investors education and protection fund, Service Tax, Custom Duty Cess and other material statutory dues applicable except Rs.11.66 lacs. The details are as follows:

Type of Tax	Amount in Lacs
Sales Tax	0.11
Property Tax	11.55

- 10) The company has already been declared as Sick Company by Board of Industrial and Financial Restructuring vide its order dated 17th December 2002 within the meaning of clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 and also sanctioned the scheme on 15/11/2007. The Company has not suffered cash loss either in current financial year or in immediately preceding financial year.
- 11) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or bank
- 12) According to the information and explanations given to us and records of the company, the company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and securities. According to the provisions of clause 4(xii) of the Companies (Auditors Report) order, 2003 the same are not applicable to the Company.
- 13) In our opinion, the company is not a Chit Fund or a Nidhi / mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditors Report) order, 2003 are not applicable to the Company.
- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other instruments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) order, 2003 are not applicable to the Company.
- 15) In accordance with the sanctioned scheme of Demerger and the order of Honorable BIFR, for resulting company, the company has given Guarantees to banks and other creditors for their respective outstanding balances as on cut off date i.e. 01.04.2007 in case if the resulting company fails to pay or shortfall to pay the same. However it is not prejudicial to the interest of the company.
- 16) According to the records of the Company, information and explanation given to us, the company has obtained term loans during the year under audit and the same were applied for the purpose for which they are raised.
- 17) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we are of the opinion that the Company has used no funds raised on short-term basis for long-term investment.
- 18) During the year, the company has not made any allotment of shares, hence the provisions of clause 4(xviii) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
- 19) According to the records of the Company, the company has not issued any debentures as per the provisions under clause 4(xix) of the Companies (Auditors Report) order, 2003.
- 20) The company has not raised any money by Public issues during the period covered by our Audit report as per the provisions under clause 4(xx) of the Companies (Auditors Report) order, 2003.
- 21) During the course of our examination of the books 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 material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

Date : 31/05/2009  
Place : Aurangabad.

**For Rathi & Bangad**  
**Chartered Accountants**

Dilip D. Jain  
Proprietor  
M. No. 44301

**APT PACKAGING LIMITED**  
**BALANCE SHEET AS AT 31st MARCH'2009**

	SCHEDULE	AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>SOURCES OF FUNDS:</b>			
<b>SHARE HOLDERS FUNDS</b>			
Capital	1	3,30,40,440	3,99,49,115
Reserve & Surplus	2	10,85,70,192	13,39,64,581
<b>LOAN FUNDS</b>			
Secured Loans	3	8,41,87,277	17,59,57,769
Deferred Payments	4	7,59,84,831	11,18,41,367
Unsecured Loans	5	1,76,96,000	94,02,475
		<b>31,94,78,740</b>	<b>47,11,15,308</b>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross block	6	39,75,72,349	44,61,32,943
Less: Depreciation		21,11,45,802	23,48,77,543
Less: Impairments		61,95,996	74,75,000
<b>Net Block</b>		<b>18,02,30,551</b>	<b>20,37,80,400</b>
<b>Add: Capital Work in Progress</b>		<b>84,28,913</b>	<b>13,33,592</b>
	<b>(Total A)</b>	<b>18,86,59,464</b>	<b>20,51,13,992</b>
<b>INVESTMENTS</b>			
	7	2,45,923	2,45,923
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
	8		
Inventories		2,43,14,505	2,93,70,445
Sundry Debtors (Un-secured)		2,08,25,556	4,18,53,465
Cash And Bank Balance		20,96,558	55,36,338
Other Current Assets		1,08,37,859	1,03,93,768
Loans and advances		3,34,51,294	2,40,77,263
	<b>(Total B)</b>	<b>9,15,25,772</b>	<b>11,12,31,279</b>
<b>Less: Current Liability Provisions</b>			
	9		
Liabilities		3,14,34,808	3,63,96,455
Provisions		16,62,966	15,63,057
	<b>(Total C)</b>	<b>3,30,97,774</b>	<b>3,79,59,512</b>
<b>Net Current Assets</b>	<b>(Total D=B-C)</b>	<b>5,84,27,998</b>	<b>7,32,71,767</b>
Balance in Profit & Loss Account		(7,21,45,355)	(19,24,83,626)
	<b>TOTAL</b>	<b>31,94,78,740</b>	<b>47,11,15,308</b>

Significant accounting policies and notes on accounts

13

The Schedules referred to above form an integral part of Balance Sheet

**AS PER OUR REPORT ANNEXED**FOR RATHI & BANGAD  
CHARTERED ACCOUNTANTSDILIP D JAIN  
PROPRIETORPLACE : AURANGABAD  
DATE : 31/05/2009ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTORSANDEEP MACHHAR  
WHOLE TIME DIRECTOR

APT PACKAGING LIMITED  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31/03/2009

	SCHEDULE	Current Year RUPEES	Previous Year RUPEES
<b>A. INCOME</b>			
Sales (Refer Note No. 3 & 4)		19,11,09,615	24,06,75,666
Transportation Income		18,11,151	30,85,594
Other Income	10	53,53,184	4,178,811
Increase/(Decrease) in Inventory		(15,27,055)	(16,90,308)
<b>TOTAL :</b>		<b>19,67,46,894</b>	<b>24,62,49,764</b>
<b>B. EXPENDITURE</b>			
Raw Material Consumed		6,63,95,505	9,03,75,347
Purchases & Expenses (Merchant Export)		34,70,209	29,63,228
Transportation Exp.		28,85,189	19,15,792
Other Expenses	11	10,08,32,144	11,02,38,897
Depreciation		1,91,44,426	2,03,92,367
Impairment of Assets		-	57,32,670
<b>TOTAL :</b>		<b>19,27,27,473</b>	<b>23,16,18,301</b>
<b>C. NET PROFIT/(LOSS) BEFORE TAX</b>		<b>40,19,421</b>	<b>1,41,84,877</b>
Less Transferred to Resulting Company		(8,61,144)	(4,46,586)
Net Profit /(Loss) Before Tax		48,80,565	1,46,31,463
<b>Add / Less :</b> Expenses related to earlier year		(2,41,092)	(4,77,961)
<b>Add / Less :</b> Income relating to earlier year		13,83,005	2,28,129
<b>ADD :</b> Extra Ordinary items (Waiver of Financial Institution Interest)		9,54,01,241	12,78,02,689
<b>D. NET PROFIT/(LOSS)</b>		<b>10,14,23,718</b>	<b>14,17,37,734</b>
<b>Less:</b> Provision for Fringe Benefit Tax		5,64,340	5,82,554
Profit After Tax transferred to P&L appropriation account	12	10,08,59,378	14,11,55,180
<b>F.1.</b> Basic and diluted earning per share (in Rs.) considering extra ordinary items		36.50	20.43
<b>F.2.</b> Basic and diluted earning per share (in Rs.) without considering extra ordinary items		1.98	1.93
Significant accounting policies and notes on accounts.	13		

The Schedules referred to above form an integral part of Profit & Loss A/c

AS PER OUR REPORT ANNEXED

FOR RATHI & BANGAD  
CHARTERED ACCOUNTANTS

DILIP D JAIN  
PROPRIETOR

PLACE : AURANGABAD.  
DATE : 31/05/2009

ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE TIME DIRECTOR

**APT PACKAGING LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS**

SCHEDULE NO.1	AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
1,00,00,000 Equity Share of Rs.10 each	10,00,00,000	10,00,00,000
<b>ISSUED CAPITAL :</b>		
35,36,417 (88,41,043) Equity shares of Rs.10/- (Rs.5/-) each	3,53,64,170	8,84,10,430
<b>PAID UP CAPITAL : (Refer Note No.8 &amp; 25)</b>		
27,63,467 (69,08,669) Equity Shares of Rs.10/- (Rs.5/-) each fully paid up. 1,616 (4,040) shares allotted as fully paid up in consideration other than cash and 2,680 (6,700) shares are pending for exchange of Gimar Holding Ltd.	2,76,34,670	3,45,43,346
Forfeited Shares	54,05,770	54,05,770
<b>TOTAL</b>	<b>3,30,40,440</b>	<b>3,99,49,116</b>
<b>SCHEDULE NO.2</b>		
<b>RESERVE AND SURPLUS</b>		
<b>1) CAPITAL RESERVE</b>		
Capital Incentives (Subsidy)	53,22,873	
Profit on Reissue of forfeited shares	3,35,500	56,58,373
Capital Reserve	5,48,21,914	5,48,21,914
<b>2) SECURITIES PREMIUM ACCOUNT</b>		
	4,80,89,905	4,80,89,905
<b>3) Investment Allowance (Utilised Reserve)</b>		
	53,94,389	53,94,389
Less: Transferred to P&L Appropriation Account	53,94,389	
<b>4) GENERAL RESERVE</b>		
	2,00,00,000	2,00,00,000
Less: Transfer for Business Reorganisation - Demerger of Company (Refer note no.5 of Sch.13)	63,62,082	
LESS: Transferred to P&L Appropriation Account	1,36,37,918	
<b>TOTAL</b>	<b>10,85,70,192</b>	<b>13,39,64,581</b>
<b>SCHEDULE NO.3</b>		
<b>SECURED LOANS</b>		
<b>1. TERM LOANS FROM:</b>		
a) Financial Institutions		2,43,99,976
b) Union Bank of India		9,50,597
c) Punjab National Bank Term Loan - I "Due within one year Rs.68.33 lacs)	2,81,34,451	80,65,600
d) Punjab National Bank Term Loan - II "Due within one year Rs.16.76 lacs)	16,75,628	-
e) HDFC Bank Ltd. (Vehicle Loan) "Due within one year Rs.1.17 lacs)	1,17,002	11,68,193
<b>2. WORKING CAPITAL LOANS FROM:</b>		
a) Union Bank of India		23,49,395
b) Indian Bank		6,97,753
c) Punjab National Bank	5,42,60,196	4,29,25,014
<b>3. INTEREST ACCRUED AND DUE:</b>		
a) Financial Institutions		9,54,01,241
<b>TOTAL</b>	<b>8,41,87,277</b>	<b>17,59,57,769</b>

**NOTES:**

- 1) Working Capital loans of Rs.542.60 Lacs (Rs.429.25 Lacs) from Punjab National Bank are secured by way of hypothecation of raw materials, finished goods, goods in process, stores and are against debts invoiced for supplies/documentary proof of dispatch of Co-Ex Tubes and further secured by second charge on all fixed assets situated at Plot No. J-18 Chikalthana, Gut No.72 Pharola, Survey No. 58 at Nandrabad.
- 2) Term Loan of Rs 298.10 (Rs.80.66 Lacs) due to Punjab National Bank is secured by way of Mortgage of immovable properties situated at Plot No. J-18 Chikalthana, Gut No. 72 Pharola, and Survey No.58 at Nandrabad.
- 3) Vehicle car loan of Rs. 1.17 lacs (Rs.9.56 Lacs) are secured against the vehicles acquired out of the said loans.
- 4) Term Loans/Working Capital Loans are guaranteed by Managing Director and Whole Time Director.

SCHEDULE NO.4	AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>DEFERRED PAYMENTS</b>		
<b>1. Sales Tax Deferment:</b>		
a) ANFO Unit, Waidhan (M.P.)	-	3,67,49,907
b) Co-Ex Tube, Pharola (Due within one year Rs.7.20 lacs)	5,24,08,483	4,13,15,366
<b>2. VBC Industries Ltd. * (Due within one year Rs.170.56 lacs)*</b>	<b>2,35,76,348</b>	<b>2,65,76,348</b>
<b>TOTAL</b>	<b>7,59,84,831</b>	<b>11,18,41,367</b>

\* The deferred payment of VBC Industries Limited is settled at Rs.200.56 Lacs as per the sanctioned scheme. However remission of balance liability of Rs.65.20 Lacs will be written back after making full payment and withdrawal of legal suit filled.

SCHEDULE NO.5	AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>UNSECURED LOANS</b>		
MIDC Incentives Loan	--	3,92,475
i) Directors	51,40,000	27,25,000
ii) Promoters	65,81,000	3,10,000
iii) Promoter group company	59,75,000	59,75,000
<b>TOTAL</b>	<b>1,76,96,000</b>	<b>94,02,475</b>

Note: Interest Free Unsecured Loan received from Director's and shareholders to meet the shortfall in repayment to Financial Institutions as per terms and condition of the sanctioned scheme, which is to be converted into equity.

**SCHEDULE NO.6  
FIXED ASSETS**

PARTICULARS	GROSS - BLOCK			DEPRECIATION				Impairment Reserve Op. Bal	NET BLOCK	NET BLOCK	
	AS ON 01/04/2008	Addition	Deduction	AS ON 31/03/2009	AS ON 01/04/2008	FOR THE YEAR 31/03/2009	Addition/ (Deletion)		UP TO 31/03/2009	AS ON 31/03/2009	AS ON 31/03/2008
LEASE HOLD LAND	85509	--	--	85509	15137	14397	--	15885	--	69624	71120
FREEHOLD LAND	13078522	--	--	13078522	--	--	--	--	--	13078522	13078522
BUILDING	40554676	--	--	40554676	17557496	1520855	--	18901480	--	21653196	24328614
PLANT & MACHINERY	313303195	21285190	483338	334105047	169756463	16825541	(206387)	185068016	6115726	142921306	152616692
FURNITURE & FIXTURE	3970923	34753	--	4005676	3048769	144987	--	3189498	3321	812857	1161160
OFFICE EQUIPMENTS	2372939	318285	--	2691224	1721410	82526	--	1788499	70702	832023	692881
VEHICLES	1094892	0	--	1094892	442874	211093	--	544113	6247	544532	690444
COMPUTERS	1799979	156823	--	1956802	1333333	345027	--	1638311	--	318492	728917
<b>TOTAL</b>	<b>376260635</b>	<b>21795052</b>	<b>--</b>	<b>397572349</b>	<b>193875481</b>	<b>19144426</b>	<b>(206387)</b>	<b>211145802</b>	<b>6195996</b>	<b>180230551</b>	<b>193368349</b>
CAPITAL WORK IN PROGRESS	1333592	7095321	--	8428913	--	--	--	--	--	8428913	1333592
GRAND TOTAL	377594227	28890373	--	406001262	193875481	19144426	(206387)	211145802	7475000	188659464	194701941
PREVIOUS YEAR	430952783	16513751	--	447466535	214485176	20392367	--	234877543	7475000	205113992	--

- NOTES: 1. Depreciation has been charged on straight-line method, however depreciation on additions and assets sold during the year has been charged proportionately.  
2. Premium paid on leasehold land written off proportionately.



SCHEDULE NO.7		AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>SHARES AND DEBENTURES</b>			
(As verified by the Management)			
<b>I. UNQUOTED AT COST</b>			
a. In Subsidiary Company			
Navneet Mach. Mfg. Co. Pvt. Ltd.	9,980	99,800	99,800
b. Devgiri Nagri Shahkari Bank Ltd.	1,050	10,555	10,555
	<b>TOTAL(I)</b>	<b>1,10,355</b>	<b>1,10,355</b>
<b>II. QUOTED-(FULLY PAID, AT COST)</b>			
UTI Master	846	1,644	1,644
UTI Master Gain	300	3,000	3,000
Dhar Cements Limited	183	5,930	5,930
Titan Industries Limited	56	5,830	5,830
Nirup Synchrome Limited	5,000	2,29,500	2,29,500
Maharashtra Explosives Limited	3,550	1,07,565	1,07,565
Astra Zeneca Pharma India Limited	100	2,512	2,512
Sanchay Finvest Limited	5,000	75,000	75,000
Less: Provision for quoted Investment		(2,95,413)	(2,95,413)
	<b>TOTAL(II)</b>	<b>1,35,568</b>	<b>1,35,568</b>
	<b>TOTAL(I+II)</b>	<b>2,45,923</b>	<b>2,45,923</b>
<b>COST OF QUOTED INVESTMENTS</b>		<b>1,35,568</b>	<b>1,35,568</b>
<b>MARKET VALUE OF QUOTED INVESTMENTS</b>		<b>1,34,285</b>	<b>1,45,675</b>

SCHEDULE NO.8		AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>A. CURRENT ASSETS:</b>			
<b>I. INVENTORIES</b> (Valued at Lower of Cost and net realisable value except stated other wise. (As certified by the Management )			
<b>Raw Material</b>			
Indigenous		67,56,483	88,13,429
Imported		34,63,278	37,44,414
Merchant Export		7,81,702	--
Finished goods		39,38,767	57,39,365
Semi finish Goods & Work in Progress at Cost		8,93,859	18,28,774
Packing Material at cost		4,20,640	7,69,588
Stores and Spares at cost		80,59,776	84,74,875
	<b>TOTAL</b>	<b>2,43,14,505</b>	<b>2,93,70,445</b>
<b>II. SUNDRY DEBTORS CONSIDERED GOOD</b>			
Exceeding Six Months (Un-Secured)	24,41,373	1,15,148	1,90,19,087
Less: Provision for doubtful debts	(23,26,225)		
Others (Un-Secured)		2,07,10,408	2,28,34,378
	<b>TOTAL</b>	<b>2,08,25,556</b>	<b>4,18,53,465</b>

**III. CASH AND BANK BALANCE**

Cash In Hand	3,42,627	1,20,978
Balance with scheduled Banks		
In Current Accounts	4,68,745	16,75,696
In Time Deposit Accounts	12,85,187	37,39,665
<b>TOTAL</b>	<b>20,96,558</b>	<b>55,36,338</b>

**IV. OTHER CURRENT ASSETS**

Pre-Paid expenses	3,85,282	3,47,718
TDS Receivables	24,01,711	25,81,173
VAT Receivables	23,92,237	8,76,935
RG-23-A Un-utilised Balance	13,00,622	14,26,709
RG-23-C Un-utilised Balance	5,77,692	3,14,587
Deposits	37,80,314	48,46,646
<b>TOTAL</b>	<b>1,08,37,859</b>	<b>1,03,93,768</b>

**B. LOANS AND ADVANCES**

(Unsecured considered good except stated otherwise)

Loan to subsidiary	87,206	87,206
Others	1,11,42,549	1,11,42,549
Inter Corporate Deposit to Resulting Company	14,81,950	--
Advance to Suppliers for Capital goods	1,68,07,635	80,42,766
Advance to Suppliers	36,54,724	45,40,852
Advances recoverable in cash or in kind or for value to be received	2,77,231	2,63,890
<b>TOTAL</b>	<b>3,34,51,294</b>	<b>2,40,77,263</b>
	<b>9,15,25,772</b>	<b>11,12,31,279</b>

**SCHEDULE NO. 9**

**CURRENT LIABILITIES AND PROVISIONS**

**A. CURRENT LIABILITIES**

Sundry creditors	1,36,05,853	1,55,63,611
Int. accrued but not due	-	2,59,041
Deposits	63,500	63,500
Advance from Customers	1,01,35,380	1,12,74,623
Other Liabilities	76,30,075	92,35,680
<b>TOTAL</b>	<b>3,14,34,808</b>	<b>3,63,96,455</b>

**B. PROVISIONS**

Provision for Gratuity	16,62,966	15,63,057
<b>TOTAL</b>	<b>16,62,966</b>	<b>15,63,057</b>
	<b>3,30,97,774</b>	<b>3,79,59,512</b>

<b>SCHEDULE NO.10</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>OTHER INCOME</b>		
1. Sale of Scrap (TCS Rs.23,169/-)	14,91,976	10,83,631
2. Interest Received (TDS Rs. 8,242/-)	3,44,321	2,66,700
3. Dividend on shares	7,830	4,065
4. Export Incentives	12,59,651	9,07,639
5. Credit balances Written back (Refer Note no.10 in Sch.No.13)	10,42,718	4,69,216
6. Foreign Exchange variations	11,67,142	11,21,956
7. Profit on Sale of Assets	23,049	-
8. Other Receipts	16,497	3,25,604
<b>TOTAL</b>	<b>53,53,184</b>	<b>41,78,811</b>
<b>SCHEDULE NO.11</b>		
<b>OTHER EXPENSES</b>		
Excise Duty	1,47,13,540	1,84,08,980
Sales Tax	42,80,600	94,00,699
Excise Duty for Closing Stock Provision	4,757	90,473
Stores and Spares Consumed	73,43,488	34,17,850
Packing Material Consumed	48,01,243	69,00,798
Water Charges	65,811	69,771
Wages Contract	46,23,906	51,95,730
Power, Fuel etc.	98,67,591	1,19,93,676
Job work Charges	2,86,408	17,04,620
Transportation Expenses (Co-Tube Div. Export)	50,02,287	55,12,328
<b>Repairs &amp; Maintenance</b>		
Machinery	19,48,670	
Building	2,99,810	
Others	3,79,152	
	<u>26,27,632</u>	<u>31,47,572</u>
<b>Employee Cost</b>		
Salary, wages etc.	1,52,89,306	
PF Contribution	6,27,580	
Employee welfare	4,10,806	
Rates & Taxes	1,63,27,692	1,60,51,731
Insurance	17,8,378	3,53,055
Telex, Telephone & Postage	5,74,913	6,18,081
Directors Remuneration	17,96,511	13,77,482
Audit Fees	16,66,277	13,99,898
Others	1,00,000	
Out of Pocket Expenses	20,000	
Foreign Traveling Expenses	2,899	
Traveling Expenses	1,22,899	1,24,563
Legal and Professional Expenses	10,86,483	22,64,293
Sales Rebate & Discount	23,85,635	22,90,586
Exhibition & Marketing Expenses	6,88,631	13,16,547
Debit Bal. Written off	3,44,241	23,53,271
Miscellaneous Exp.	31,64,553	27,22,084
Interest (Working Capital)	1,75,709	5,03,384
Interest (TERM LOAN)	86,14,617	76,00,059
Interest to others	59,40,523	48,04,932
Building Rent	35,73,989	-
	33,829	1,06,435
	5,40,000	5,09,999
<b>TOTAL</b>	<b>10,08,32,144</b>	<b>11,02,38,897</b>

**SCHEDULE NO.12**

	CURRENT YEAR	PREVIOUS YEAR
<b>PROFIT AND LOSS APPROPRIATION ACCOUNT</b>		
Balance B/F from last year	(19,24,83,626)	(36,86,27,558)
<b>ADD: Profit for the year</b>	10,08,59,378	14,16,00,587
<b>ADD: Capital Reduction Amount</b>	-	3,45,43,345
<b>ADD: Loss of Resulting company for the F.Y. 07-08</b>	4,46,586	-
<b>ADD: General Reserve Transferred to P&amp;L Account</b>	1,36,37,918	-
<b>ADD: Investment Allowance (Utilised Reserve). Transferred to P&amp;L Account</b>	53,94,389	-
<b>TOTAL Profit/(loss) carried to Balance Sheet</b>	<b>(7,21,45,355)</b>	<b>(19,24,83,626)</b>

**SCHEDULE NO.13**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:**

**I. SIGNIFICANT ACCOUNTING POLICIES:**

**a) General:**

The Financial statements are prepared on historical cost basis in accordance with applicable accounting standards and on the accounting principle of going concern. Income and expenses to the extent considered receivable or payable are accounted for on mercantile basis.

**b) Fixed Assets and Depreciation and Amortization:**

i) Fixed Assets are stated at cost of acquisition net of Cenvat, inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. As per the practice and on the basis of technical evaluation report expenses incurred on trial runs, know-how, development, modernization, de-bottlenecking of plant and equipment and adjustment arising from exchange rate variation relating to borrowings attributable to the fixed assets, are capitalized.

ii) Depreciation is provided for in the accounts on straight line method at the rates computed in accordance with Schedule XIV of the Companies Act, 1956 except for certain asset as on 1st April, 1994 for which specified period has been recomputed as per the revised rates in Schedule XIV and operational charge calculated by allocating the un-amortized value over the remaining part of the recomputed specified period.

iii) Depreciation on addition is being provided on pro-rata basis from the following month of such additions.

iv) Depreciation on assets sold, discarded or demolish during the year is being provided at their rates up to the month in which such assets are sold, discarded or demolished.

v) Normal depreciation is provided on addition on account of exchange variation of foreign currency loans in the following years.

vi) Rates of depreciation for plant and machinery of the co-extruded tube division is considered as continuous process plant @5.28%.

vii) Plant & Machinery other than (1) above @4.75%

viii) The depreciation has been charged on block of assets instead of individual assets in respect of assets owned by the company up to 01-04-1991 in absence of sufficient details.

ix) Premium on leasehold land has been amortized (written off) proportionately over the period of lease.

**c) Foreign Currency Transactions:**

a) The transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary items denominated in foreign currency at year-end are translated at rates prevailing on the last day of the Financial Year.

b) Foreign Currency Loans for acquisition of fixed assets are converted at the rate prevailing on the date of Balance Sheet. The fluctuation is adjusted in the cost of fixed assets.

**d) Investments:**

Investments are stated at cost and appropriate diminution except temporarily nature in the value of quoted investment is being provided for.

**e) Inventories:**

i. Inventories are valued at lower of cost and net realisable value except packing material, stores & spares, semi finished goods and work in progress which are valued at cost.

ii. Cost is computed on the basis of FIFO. In case of finished Goods and goods in process, cost includes material cost, labour and overhead expenses inclusive of depreciation.

iii. Inventory verified, valued and certified by management.

**f) Sales and Income Recognition (Refer note No. 3 & 4)**

i. Sales are stated and recognized at Gross value i.e. inclusive of all taxes and freight charged to customers.

ii. Merchant Exports (Inclusive of Transportation thereon) accounted on dispatch to customer basis on gross value and grouped under sales

iii. Transportation Receipts accounted on booking of vehicles.

iv. Dividend and interest on investment are accounted for as and when right to receive basis accrued in favour of company.

**g) Cenvat (Modvat):**

Cenvat (Modvat) Credit availed on fixed assets is adjusted to the cost of the asset. Other Cenvat (Modvat) Credit availed is set off with the purchase cost. Cenvat of Service Tax availed is set-off with the respective services. Unutilized balance is shown under the head "Other Current Assets."

**h) Retirement Benefits:**

i. Contribution to the Provident Fund is made monthly as per the provisions of the Provident Fund Act.

ii. The provision of Gratuity for employees and Directors are recognized and accounted for on the basis of Actuarial Valuation made by authorized assessor.

iii. Leave encashment is determined on the basis of leave rules of the company and accounted on accrued basis.

**i) Government Grants:**

Grants in nature of project capital subsidy are credited to capital reserve.

**j) Impairment of Fixed Assets:**

The fixed assets specifically Land, Building and Plant & Machinery of the company have been valued from the approved valuer at a reasonable interval in order to comply with the requirement of AS-28. Impairment aspect of Fixed Assets for other assets, they are stated at residual value.

**k) Misc. Expenditures:**

Misc. preliminary and preoperative expenses are written off over a period of five years.

**l) Prior period items etc. (Refer note No. 16):**

Prior period expenses/income, non-recurring and extra-ordinary items having material impact disclosed in financial statement separately.

**m) Contingent Liability:**

Contingent Liabilities are disclosed by way of the Notes to the Accounts. Disputed demands in respect of Central Excise, Customs, Income Tax, Sales Tax and other claims are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter and payment debited to respective head of expenses in the year of payment made, as the case may be.

**n) Taxes on Income: (Refer note No. 14)**

Deferred tax is recognized on timing difference between the accounting income and taxable income for the year that originates in one period and is capable of reversal in one or more subsequent period. Such deferred tax is quantified using the tax rate and laws enacted or substantively enacted as on the Balance sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**o) Borrowing Costs:**

In case of period of construction / installation of the qualifying fixed assets is which takes more than a year, borrowing costs that are directly attributable to the acquisition / construction of the are capitalized as part of respective asset, up to the date of acquisition / completion of construction. Other borrowing costs are recognized as expenses in the period in which they are incurred.

**II. NOTES TO THE ACCOUNTS****1. Segment Reporting:**

Broadly by all criteria the activities of the company falls in the segments as detailed below.

Criteria	Segment
Product base	1. Co-extruded Tube 2. Merchant Export
Customer base	Domestic market/ overseas market
Geographical Area of Operation	Domestic market/ overseas market
Geographical area of assets location	Maharashtra

**A. Primary Segment: Business segment**

The operations of the company falls within two business segment i.e. Co-extruded tube segment & Merchant Export segment. The financial data for segment reporting as follows.

Sr. No.	PARTICULARS	Merchant Export division amt in lacs	Co-extruded Tube Division (Amt in lacs)	Total Amt in Lacs
	<b>Revenue</b>			
A	Sales	32.29	1,649.40	1,681.68
B	Profit / Loss Before Dep. and Interest	3.33	332.40	335.73
C	Interest Expenses	-	95.44	95.44
D	Depreciation & Impairment	-	191.44	191.40
E	Extra Ordinary Items	-	954.01	954.01
F	<b>Net Profit/Loss</b>	<b>3.33</b>	<b>999.49</b>	<b>1002.82</b>
	<b>Other Information</b>			
G	Segmental Assets	-	4,060.01	4,060.01
H	Less Depreciation & Impairment	-	2,173.42	2,173.01
I	<b>Net Assets</b>	<b>-</b>	<b>1,886.59</b>	<b>1,886.59</b>
J	Segmental Liabilities	-	330.98	330.98

**B. Secondary Segment: Geographic Segment**

The geographic segment identified, as secondary segment are "Domestic Market" and "Export Market".

PARTICULARS	Merchant	Co-Ex Tube	TOTAL
A DOMESTIC	-	1,186.02	1,186.02
B EXPORT	-	463.38	463.38
C EXPORT (MERCHANT)	32.29	-	32.29
<b>TOTAL</b>	<b>32.29</b>	<b>1,649.40</b>	<b>1,681.68</b>

**NOTE:**

- A) The Company has common assets for producing goods for Domestic Market and Overseas Market. Hence, separate figure for assets / additions to fixed assets are not furnished.
- B) The above figures of the segment reposting exclude the operations of the chemical division of the Company which were de-merged on 01.10.2008 with the cut off date of 01.04.2007. The loss for the period from 01.04.2008 to 30.09.2008 amounting to 8.61 Lacs has been transferred to this new company (Resulting Company)

**2. Related Party Disclosure:**

Sr. No.	Name of the Party	Relationship	Nature	Amount (C.Y)	Amount (P.Y)
01.	Arvind Machhar	Chairman Cum Managing Director	Remuneration	11,33,006	9,37,103
02.	Sandeep Machhar	Whole Time Director	Remuneration	8,04,528	8,64,245
03.	Arpit Machhar	Son of CMD	Salary	3,67,688	3,67,685
04.	Nishant Machhar	Son of CMD	Salary	2,54,855	--
05.	Arvind Machhar	Chairman Cum Managing Director	Interest Free Unsecured Loan Taken	46,40,000	27,25,000
06.	Sandeep Machhar	Whole Time Director	Interest Free Unsecured Loan Taken	5,00,000	--
07.	Arpit Machhar	Son of CMD	Interest Free Unsecured Loan Taken	2,20,000	1,10,000
08.	Prabha Machhar	Wife of CMD	Interest Free Unsecured Loan Taken	1,00,000	1,00,000
09.	Prema Machhar	Wife of Director	Interest Free Unsecured Loan Taken	31,00,000	1,00,000
10.	Kiran Machhar	Wife of WTD's Brother	Interest Free Unsecured Loan Taken	18,00,000	--
11.	Sunita Machhar	Wife of WTD's Brother	Interest Free Unsecured Loan Taken	13,61,000	--
12.	Race Course Capital Market Limited	Promoters Group Company	Interest Free Unsecured Loan Taken	59,75,000	59,75,000
13.	Navneet Machines Mfg. Co. Pvt. Ltd.	Subsidiary Company	Interest-free Unsecured loan Given	87,206	84,806
14.	Khandelwal Jain & Co.	Related Concern of Non Executive Independent Director	Payment of Professional Fees	20,206	16,854

3. Sales include Merchant Exports (inclusive of transportation) Rs. 35.69 Lacs (Rs.41.04 Lacs.) and sales (including transportation receipt) for the first six month of the financial year related to the resulting company Rs.247.53 lacs.

4. Sales are stated at gross value inclusive of taxes and Freight.

**5. DEMERGER OF THE COMPANY**

As per the Sanctioned Scheme ordered by the Hon'ble Board for Industrial & Financial Reconstruction (BIFR), New Delhi, The demerger of company has been effected and accordingly, all Divisions of Aurangabad territory i.e. Pharola Division, Chikalthana Division and Nandrabad Division is retained with the exiting company and all other Divisions i.e. Panoli Division, Waidhan Division, Jharsuguda Division jointly known as chemical division has been transferred to the resultant company Machhar Infrastructure Limited. The de-merger has been affected on 01.10.2008 with the cut off date of 01.04.2007. The profit and loss for the period from 01.04.2007 to 31.03.2008 and 01.04.2008 to 30.09.2008 amounting to Rs. 4.47 Lacs and 8.61 Lacs respectively has also been transferred to the resulting company.

During the year under review, to affect the de-merger pursuant to the sanctioned scheme dated 19.11.2007 ordered by Hon'ble BIFR, one share of Rs. 4 each in the existing Company i.e. Apt Packaging Limited and 0.1 share of Rs. 10 each in the Resulting Company i.e. Machhar Infrastructure Limited have been allotted to the holder of one share of Rs. 5 each of the existing Company is issued.

Further in accordance to the approval of members in the EGM held on 30.04.2008 for consolidation of shares, one share of Rs. 10 each has been issued against the 2.5 shares of Rs. 4 each of the Company by process of consolidation.

The statement of assets and liabilities transferred to the Resulting Company including the apportioned profit/loss for the period as on up to 30.09.2008 are as under:

PARTICULARS	Total
<b>SHARE HOLDERS FUNDS</b>	
Capital	69.09
<b>TOTAL</b>	<b>69.09</b>
<b>LOAN FUNDS</b>	
Secured Loans	27.09
Deferred Payments (Sales Tax)	372.10
Unsecured Loans	5.75
Inter Corporate Deposit - Apt Packaging Ltd.	13.08
<b>TOTAL</b>	<b>418.02</b>
Current Liabilities	41.80
<b>TOTAL Liabilities</b>	<b>528.91</b>
Fixed Assets (including CWIP)	274.41
Current Assets, Loans & Advances	305.04
Profit & Loss for the period 01.04.07 to 30.09.08 relating to operations of resulting Company transferred.	13.08
<b>TOTAL Assets</b>	<b>592.53</b>
Difference between the amount of Assets and Liabilities transferred to General Reserve account of De-merged company	63.62

The Statement of turnover and related expenses of resulting company for the period ended up to 30.09.2008 included in the company's financial statement is as under.

PARTICULARS	Total
<b>A. INCOME</b>	
Sales	229.41
Transportation Income	18.11
Other Income	1.07
Increase/(Decrease) in Inventory	0.14
<b>TOTAL</b>	<b>248.73</b>
<b>B. EXPENDITURE</b>	
Raw Material Consumed	121.64
Transportation Exp.	13.56
Other Expenses	105.39
Depreciation & Impairment	16.68
<b>TOTAL</b>	<b>257.27</b>
<b>C. NET PROFIT/(LOSS) BEFORE TAX</b>	<b>(8.54)</b>
Add : Expenses related to Earlier year	(0.12)
Add : Income relating to earlier year	0.04
<b>D. NET PROFIT/(LOSS)</b>	<b>(8.61)</b>

6. No Interest is accounted for in respect of inter corporate deposits to M/s Sachit Plastics Pvt. Ltd. amounting to Rs.111.43 lacs (Rs.111.43 lacs). If interest calculated being simple interest @ 18% for the year comes to Rs.20.06 lacs (Rs.20.06 Lacs) accumulated up to 31/03/2009 come to Rs.240.72 Lacs (Rs. 220.66 Lacs). The company has filed suit for the recovery of dues from Sachit Plastic Pvt. Ltd. In the opinion of management, the said deposit is recoverable and shown as good.
7. **Contingent Liabilities:**
- Claims not acknowledged as debts are on account of a case filed against the company by M/s Food Fats and Fertilizers Ltd. on behalf of Apte Organic Chemicals Pvt. Ltd. in Mumbai High Court for the recovery of Rs.2.67 Lacs (Rs.2.67 Lacs). The company is contesting the same. However the BIFR have ordered for repayment schedule for the account.
  - In respect of fiscal liabilities that may arise on account of non-observance of provisions of various fiscal statues, Companies Act and other related laws and interest chargeable on demands raised and not paid if any, amount is not ascertainable.
  - Estimated amount of contract remaining to be executed net of advances on capital account and not provided for Rs.340.98 Lacs (Rs.459.34 Lacs).
8. The outstanding balances of Debtors, Creditors and Loans & Advances (taken and given) are subject to confirmation, reconciliation and consequent adjustments if any. The difference as may be noticed on reconciliation will duly be accounted for on completion thereof. In the opinion of the Management the ultimate difference will not be material.  
In the opinion of the Board and to the best of their information and belief, the value on realization of sundry debtors, current assets and loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet, except to the extent considered doubtful and provided for.

9. **Directors Remunerations:**

(Rs. in Lacs)

Particulars	C.M.D		W.T.D.		TOTAL	
	C. Year	Pr Year	C. Year	P. Year	C. Year	P. Year
i. Salary	9.69	7.85	6.85	6.16	16.54	14.01
ii. Perquisites	1.55	1.43	1.11	1.01	2.66	2.44
iii. Sitting Fees	--	--	--	--	--	--
iv. Commission	--	--	--	--	--	--
v. Leave Encashment	--	--	--	1.38	--	1.38
vi. Contribution to P.F.	0.09	0.09	0.09	0.09	0.18	0.18
<b>TOTAL</b>	<b>11.33</b>	<b>9.37</b>	<b>8.05</b>	<b>8.64</b>	<b>19.38</b>	<b>18.01</b>

10. Credit balances belongs sundry creditors Rs.10.43 lacs has been written back and Debit balances belongs to sundry debtors Rs.1.76 lacs has been written off as certified by the management of the company and relied on by auditor.
11. The fixed assets specifically Land, Building and Plant & Machinery of the company have been valued from the approved valuer at a reasonable interval in order to comply with the requirement of AS-28. Impairment aspect of Fixed Assets for other assets, they are stated at residual value.
12. Certain statutory requirements and records are in the process of their compilation / up-dation. The company in the process of appointment of full time company secretary.

13. During the year manufacturing activities at the plants of the company situated at Chikalthana Aurangabad and Nandrabad Dist. Aurangabad were remained suspended. However, depreciation of all above divisions is charged amounting to Rs.13.89 Lac.
14. **Deferred Income Taxes:**
- The company is having carried forward losses amounting to Rs.721.45 Lac (Previous year Rs. 1,924.85 Lac) as per books of accounts.
  - In view of the carried forward losses / unabsorbed depreciation in respect of past years both as per books and as per income tax, the company may not have the taxable income in the near future and hence, cumulative net deferred tax assets after deducting deferred tax liabilities have not been recognized by the company on prudence basis in accordance with the AS-22 issued by the ICAI. Similarly, net deferred tax asset for the current year have also not been recognized on prudence basis.
15. The Company is in process to identify the names of the Companies, firms and parties etc on which Micro, Small and Medium enterprises Act'2006 is applicable and accordingly letters to all of the creditors, suppliers and service providers have been posted by the Company. The responses of the letters are awaited. In view of the same no interest under the act has neither been demanded by anyone nor has been provided.
16. Prior-period expenditure amounting to Rs.2.41 Lac (Rs.4.78 Lac) debited during the year and Rs.13.83 Lac (Rs.2.28 Lac) income credited during the year. The Details are as under.

No. Sr.	Particulars	Expenses		Income	
		Current Year	Previous Year	Current Year	Previous Year
01.	Interest & Bank Charges	0.26	--	4.88	--
02.	Property Tax, PF etc.	---	1.58	--	0.07
03.	Professional Fess	--	--	1.03	--
04.	Excise & Sales Tax	0.81	1.78	--	0.00
05.	Traveling	--	0.18	---	0.81
06.	Others	1.00	1.24	0.64	1.39
07.	Purchase, Repair	0.35	--	7.28	--
	<b>TOTAL</b>	<b>2.41</b>	<b>4.78</b>	<b>13.83</b>	<b>2.28</b>

**17. Earning Per Share:**

The basic and diluted EPS is calculated as under:

Particulars	Current Period	Previous Period
Profit/(loss) attributable to Equity Share Holders (Rs. in lacs) including extra ordinary items of Rs.9,54,01,241/- (Rs.12,78,02,689/-)	10,08,59,378	14,16,36,555
Weighted average number of Equity Shares of Rs.10 Each (Rs.5 each)	27,63,467	69,08,669
Earning per share (considering extra ordinary items)	36.50	20.43
Earning per share (without considering extra ordinary items)	1.98	1.93

**18. A. Additional Information pursuant to the provisions of part II of the Schedule VI to the Companies Act'1956.**

	CHIKALTHANA Ammonium Nitrate	NANDRABAD Emulsion matrix and pre-emulsion matrix	PHAROLA Co-extruded tubes
	31.03.2009	31.03.2009	31.03.2009
	(31.03.2008)	(31.03.2008)	(31.03.2008)
	Qty. in MT	Qty. in MT	Qty. in Lacs
Licensed Capacity	N/A	5000.00	760.00
	(N/A)	(5000.00)	(760.00)
Installed Capacity	13000.00	5000.00	740.00
	(13000.00)	(5000.00)	(740.00)
Production	NIL	NIL	344.55
	(NIL)	(NIL)	(381.76)
Sales	NIL	NIL	346.29
	(NIL)	(NIL)	(383.47)
Job-Work	NIL	NIL	NIL
	(NIL)	(NIL)	(NIL)
Op. Stock	NIL	NIL	1.86
	(NIL)	(NIL)	(1.84)
Rs. In Lacs	NIL	NIL	6.25
	(NIL)	(NIL)	(7.29)
Cl. Stock	NIL	NIL	0.12
	(NIL)	(NIL)	(1.86)
Rs. In Lacs	NIL	NIL	0.40
	(NIL)	(NIL)	(6.25)



Note: The above information is certified by the management and being a technical matter, the same is relied on by auditors.

**B. RAW MATERIAL CONSUMED:**

NAME	QUANTITY (MT)		VALUE (Rs.)	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
I). HDPE/LLDPE/LDPE/PP	536.00	560.64	331.54	461.78

**C. VALUE OF RAW MATERIAL, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR:**

	31/03/2009 Value (in Rs.)	%	31/03/2008 Value (in Rs.)	%
<b>I). RAW MATERIAL</b>				
IMPORTED	219.39	33.04	218.82	24.21
INDIGENOUS	444.57	66.96	684.94	75.79
<b>TOTAL</b>	<b>663.96</b>	<b>100.00</b>	<b>903.75</b>	<b>100.00</b>
<b>II). SPARE PARTS AND COMPONENTS</b>				
IMPORTED	38.06	58.36	20.96	27.21
INDIGENOUS	27.15	41.64	56.07	72.79
<b>TOTAL</b>	<b>65.21</b>	<b>100.00</b>	<b>77.03</b>	<b>100.00</b>

**D. INCOME/EXPENDITURE IN FOREIGN CURRENCY:**

	PARTICULARS	31/03/2009	31/03/2008
I)	Earning in Foreign Exchange	495.67	693.36
II)	CIF value of Imports of Material	230.91	204.54
III)	Expenditure in Foreign currency Traveling, Exhibition, Technical, Drawing and Design	41.48	48.11
IV)	Capital Equipments	100.74	37.57

19. Previous period figure have been regrouped and rearranged/recast wherever necessary. Figure in brackets related to previous year.
20. Consequent to de-merger of existing company the holder of one share of Rs.5/- each have been issued one share of Rs.4/- each in the existing company i.e. Apt Packaging Limited and 0.10 share of Rs.10/- each in the resulting company i.e. Machhar Infrastructure Limited. Further in the Extra Ordinary General Meeting of the Company held on 30.04.2008, the members have approved the proposal of consolidation of authorized, issued and paid up Equity Share Capital of the company into Rs.10/- per shares against the existing face value of Rs.4/- per shares thereby holder of 2.5 shares of face value of Rs.4/- have been issued 1 share having face value of Rs.10/- per share
21. The figure belongs to Resulting company have not been reflected in segment reporting and in additional information pursuant to provisions of part-II of the schedule VI to the companies Act 1956.
22. The name of the Company has been changed to Apt Packaging Limited as against the earlier name Anil Chemicals and Industries Limited w.e.f. 19/06/2008.
23. The amounts shown in Balance sheet, Profit & Loss account and Notes to the accounts are not strictly comparable with previous year due to demerger of the company and turnover and expenses of resulting company up to 30.09.2008 included in the financial statements.

**AS PER OUR REPORT ANNEXED**

FOR RATHI & BANGAD  
CHARTERED ACCOUNTANTS

DILIP D JAIN  
PROPRIETOR

PLACE : AURANGABAD.  
DATE : 31/05/2009

ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE TIME DIRECTOR

**Balance Sheet Abstract and Company's General Business Profile**

**I. REGISTRATION DETAILS:**

Registration No. : 2 2 7 4 6  
 Balance Sheet Date : 3 1 0 3 2 0 0 9 State Code : 1 1

**II. CAPITAL RAISED DURING THE YERA (Amount in Rs. Thousands)**

Public Issue : NIL Right Issue : NIL  
 Bonus Issue : NIL Equity Warrants : NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. in Thousands)**

Total Liabilities : 3 1 9 4 7 9 Total Assets : 3 1 9 4 7 9

**SOURCES OF FUNDS :**

Paid-up Capital : 2 7 6 3 5 Reserves and Surplus : 1 1 3 9 7 6  
 Secured Loan : 8 4 1 8 7 Deferred Payments : 7 5 9 8 5  
 Un-secured Loans : 1 7 6 9 6

**APPLICATION OF FUNDS :**

Net Fixed Assets : 1 8 8 6 6 0 Investment : 2 4 6  
 Net Current Assets : 5 8 4 2 8 Misc. Expenses : NIL  
 Accumulated Losses : 2 7 1 4 5

**IV. PERFORMANCE OF THE COMPANY (Rs. in Thousands)**

Turnover : 1 9 6 7 4 7 Total Expenditure : 1 9 2 7 2 7  
 Profit / Loss before tax : 4 0 1 9 Profit / (Loss) after Tax : 1 0 1 4 2 4  
 Earning per share (Rs.) : 3 6 . 5 0 Dividend per share : NIL

**V. GENERIC NAMES OF THREE PRINCIPLES PRODUCTS / SERVICES OF COMPANY**

**As per monetary terms ITC CODE**  
 Co-Extruded Plastic Tubes : 3 9 2 3 9 0 0 0

**FOR AND ON BHALF OF THE BOARD**

ARVIND MACHHAR  
 CHAIRMAN.CUM MANAGING DIRECTOR

SANDEEP MACHHAR :  
 WHOLE TIME DIRECTOR

PLACE : AURANGABAD.  
 DATE : 31/05/2009

## CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31/03/2009

PARTICULARS	2008-2009 Amount in Rs		2007-2008 Amount in Rs.	
<b>A. CASH FROM OPERATING ACTIVITIES</b>				
i) Profit/Loss after Tax & Extra		10,08,59,378		14,16,00,587
ii) Profit on Sale of Assets	(23,049)		--	
iii) Depreciation & Impairment	1,91,44,426		2,61,25,037	
iv) Interest /Financial Charges	95,48,341		49,11,367	
v) Interest /Dividend Received	(7,830)		(4,065)	
<b>Total</b>	-	<b>2,86,61,888</b>	-	<b>3,10,32,339</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES ADJUSTMENT</b>		<b>12,95,21,266</b>		<b>17,26,32,926</b>
i) Trade & other Receivable	99,02,057		(70,71,315)	
ii) Inventories	50,55,940		(21,04,245)	
iii) Trade payable	(48,61,737)	1,00,96,259	(64,69,205)	(1,56,44,765)
iv) Cash generated from operations		13,96,17,526		1,5,69,88,162
v) Interest Paid/Financial charges	95,48,341			49,11,367
<b>NET CASH FROM OPERATING ACTIVITIES</b>				
<b>(TOTAL A)</b>		<b>13,00,69,185</b>		<b>15,20,76,794</b>
<b>(B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
i) Purchase of Fixed Assets	(4,13,93,465)		1,59,67,217	
ii) Profit on Sale of Assets	(23,049)		--	
iii) Sale of Fixed Assets	(3,12,000)		--	
iv) Interest/Dividend Received	(7,830)	(4,17,36,344)	(4,065)	1,59,63,152
<b>NET FLOW FROM INVESTMENT ACTIVITIES</b>				
<b>(TOTAL B)</b>		<b>4,17,36,344</b>		<b>(1,59,63,152)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
i) Proceeds from long term financing	3,04,30,479		1,10,17,834	
ii) Proceeds from short term financing	1,06,37,428		65,63,831	
iii) Payment of Long Term borrowing	(2,91,43,634)		(3,10,12,676)	
iv) Increase in Deferral Payment	(3,58,56,536)		(1,88,76,602)	
v) Waiver of SICOM Interest	(9,54,01,241)		12,78,02,689)	
<b>NET FLOW FINANCIAL ACTIVITIES (TOTAL C)</b>		<b>(11,93,33,503)</b>		<b>(13,40,33,953)</b>
<b>EFFECT OF DEMERGER</b>				
i) Fixed Assets	(7,13,90,825)			
ii) Long Term Liabilities	4,18,01,829			
iii) Current Assets	(3,05,02,859)			
iv) Current Liabilities	41,80,050			
<b>NET FLOW FROM DEMERGER ACTIVITIES</b>				
<b>(TOTAL D)</b>		<b>(5,59,11,806)</b>		<b>(13,40,33,953)</b>
Closing Balance (A+B+C+D)		(34,39,780)		20,79,689
Cash and Cash equivalents (Opening Balance)		55,36,338		34,56,649
Cash and Cash equivalents (Closing Balance)		20,96,558		55,36,338

**AS PER OUR REPORT ANNEXED**

FOR RATHI & BANGAD  
CHARTERED ACCOUNTANTS

DILIP D JAIN  
PROPRIETOR

PLACE : AURANGABAD.  
DATE : 31/05/2009

ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE TIME DIRECTOR

**NAVNEET MACHINES MANUFACTURING COMPANY PVT. LTD.  
DIRECTOR'S REPORT**

To,  
The Shareholders,

Your Directors have pleasure in submitting the Annual Report of the Company together with the Audited Accounts for the year ended on 31st March 2009.

**1. FINANCIAL RESULTS**

The Company has yet to start its business operations and as a result, no financial activity has been undertaken so far.

**2. DIVIDEND**

The Company is in preoperative stage and yet to start business activity, therefore your Directors express there in ability to recommend dividend for the year.

**3. PARTICULARS UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

The company in the year under consideration has not carried on any manufacturing activity; hence the particulars with respect to conservation of energy, technology absorption, and foreign exchange earnings & out go are not applicable to your Company.

**4. PARTICULARS UNDER THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**

During the year under review the company has no employee.

**5. FIXED DEPOSITS**

The Company has not accepted deposits under section 58A of the Companies Act 1956.

**6. DIRECTORS**

To appoint a director in place of Mr. Sandeep Machhar who retires by rotation and being eligible offers himself for re-appointment

**7. AUDITORS**

M/s. M.P. Bhalgat & Associates Chartered Accountants, retiring auditors of the Company hold office until the conclusion of forthcoming Annual General Meeting and are recommended for reappointment. The Company has received certificate from the Auditors to the effect that, their appointment, if made, would be within the prescribed limit U/s. 224(1B) of The Companies Act, 1956.

**8. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under section 217(2AA) of the companies Act, 1956 with respect to Directors' Responsibility statement, it is hereby confirmed:

- i. In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures.
- ii. Appropriate accounting policies have been selected and applied consistently and have made judgments 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. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting frauds and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.

**9. ACKNOWLEDGEMENT**

The Directors extend their sincere thanks to the Members, Management of Apt Packaging Limited, Bankers and local bodies for their cooperation and trust reposed by them in the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE : AURANGABAD  
DATED : 30/05/2009

DIRECTOR . . . DIRECTOR

## AUDITOR'S REPORT

To,  
The Members  
NAVNEET MACHINES MANUFACTURING COMPANY PVT. LTD.

1. We have audited the attached Balance Sheet of M/s. NAVNEET MACHINES MANUFACTURING COMPANY PRIVATE LIMITED as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Clause (iv) of paragraph 2 of the Companies (Auditors' Report) Order, 2003 issued by Central Government of India, provides that: a private limited company with the paid up capital and reserves not more than rupees Fifty lakhs and has not accepted any public deposits and does not have outstanding loan exceeding rupees ten lakhs or more from any bank or financial institution and does not have a turnover exceeding rupees five crores, the order is not applicable to such private limited companies." As per the information and explanations given to us, and examination carried on by us, we are of the opinion that the company fulfills all above mentioned conditions; i.e.  
The company is a private limited company;  
The company has not accepted any public deposit;  
The company has no outstanding loan of rupees ten lakhs or more from any bank or financial institution;  
The turnover of the company is less than rupees five crores.  
Therefore, the provisions of the said order are not applicable to the company
4. Further to our comments in paragraph 1 to 3 above, we report that:-
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of accounts as required by the Law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
  - d) in our opinion, the Balance Sheet and Profit Loss Account dealt with by this report are in compliance with the Accounting Standard (AS) referred to in Section 211 (3C) of the Companies Act, 1956;
  - e) based on representations made by all the Directors of the Company and the information and explanations as made available, director of the Company do not prima facie have any disqualification as referred to in clause (g) of sub-section (1) of Section 274 of the Act;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement gives the information required by the Companies Act, 1956 and in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India;
  - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 and
  - ii) in the case of Profit & Loss Account, of the profit for the year ended on that date.

FOR M. P. BHALGAT & ASSOCIATE  
CHARTERED ACCOUNTANTS

( M.P.BHALGAT)  
PROPRIETOR  
Membership No. 31570

PLACE: AURANGABAD  
DATE: 30/05/2009

**NAVNEET MACHINES MANUFACTURING COMPANY PRIVATE LIMITED  
BALANCE SHEET AS ON 31ST MARCH, 2009**

PARTICULRS	SCH. NO.	AS AT 31/03/2009	AS AT 31/03/2008
<b>I. SOURCE OF FUNDS</b>			
<b>1. SHAREHOLDER'S FUNDS:</b>			
Share Capital	1	1,00,000	1,00,000
<b>2. RESERVES &amp; SURPLUS :</b>			
Subsidy	2	17,116	17,116
<b>LOAN FUNDS:</b>			
3 UNSECURED LOANS	3	91,006	91,006
<b>TOTAL</b>		<u>2,08,122</u>	<u>2,08,122</u>
<b>II. APPLICATION OF FUND</b>			
<b>1. FIXED ASSETS:</b>			
	4	1,52,585	1,52,585
<b>2. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
	5	564	564
Less: CURRENT LIABILITIES & PROVISIONS	6	3,500	2,000
<b>NET CURRENT ASSETS</b>		<u>(2,936)</u>	<u>(1,436)</u>
<b>4. MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)			
Preliminary Expenses & Pre-Operative Expenses		58,473	56,973
<b>TOTAL</b>		<u>2,08,122</u>	<u>2,08,122</u>

For M.P. BHALGAT & ASSOCIATE  
CHARTERED ACCOUNTANTS

(M.P. BHALGAT)  
PROPRITOR  
PLACE: AURANGABAD  
DATE : 30/05/2008

FOR AND ON BEHALF OF BOARD

SANDEEP MACHHAR (DIRECTOR)      ARPIT MACHHAR (DIRECTOR)

**NAVNEET MACHINES MANUFACTURING COMPANY PRIVATE LIMITED  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009**

PARTICULRS	CURRENT YEAR	PREVIOUS YEAR
<b>A. INCOME</b>		
<b>TOTAL</b>	-	--
<b>B. EXPENDITURE</b>		
Audit fees	1,500	1,000
ROC filling fees	-	2,400
<b>TOTAL</b>	<u>1,500</u>	<u>3,900</u>
Add: Prior Period Expenses	-	-
Pre-Operative Expenses Transfer to Balance- Sheet	<u>1,500</u>	<u>3,900</u>

For M.P. BHALGAT & ASSOCIATE  
CHARTERED ACCOUNTANTS

(M.P. BHALGAT)  
PROPRITOR  
PLACE: AURANGABAD  
DATE : 30/05/2008

FOR AND ON BEHALF OF BOARD

SANDEEP MACHHAR (DIRECTOR)      ARPIT MACHHAR (DIRECTOR)

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2009**

<b>PARTICULARS</b>	<b>AS AT 31/03/2009</b>	<b>AS AT 31/03/2008</b>
<b>SCHEDULE NO. 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL:</b>		
10000 Equity Share of Rs.10 each	1,00,000	1,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP:</b>		
10000 Equity Shares of Rs.10/- each fully paid.	1,00,000	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>	<b>1,00,000</b>
<b>SCHEDULE NO. 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Subsidy	17,116	17,116
<b>TOTAL</b>	<b>17,116</b>	<b>17,116</b>
<b>SCHEDULE NO. 3</b>		
<b>UNSECURED LOANS</b>		
Apt Packaging Limited	87,206	87,206
Navneet Machhar	400	400
Sandeep Machhar	3,400	3,400
<b>TOTAL</b>	<b>91,006</b>	<b>91,006</b>
<b>SCHEDULE NO. 4</b>		
<b>FIXED ASSETS</b>		
Building	1,13,520	1,13,520
Site Development	10,000	10,000
Plant & Machinery	29,065	29,065
<b>TOTAL</b>	<b>1,52,585</b>	<b>1,52,585</b>
<b>SCHEDULE NO. 5</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCE</b>		
Cash in Hand	64	64
Cash at Bank	500	500
<b>TOTAL</b>	<b>564</b>	<b>564</b>
<b>SCHEDULE NO. 6</b>		
<b>CURRENT LAIBILITIES &amp; PROVISIONS</b>		
Audit Fees Payable	3,500	2,000
Outstanding Expenses Payable	0	0
<b>TOTAL</b>	<b>3,500</b>	<b>2,000</b>

**NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON 31st MARCH'2009**

<b>PARTICULARS</b>	<b>2008-2009 (RUPEES)</b>	<b>2007-2008 (RUPEES)</b>
<b>TURNOVER</b>	NIL	NIL
1. Contingent Liabilities	NIL	NIL
ADDITIONAL INFORMATION REQUIRED BY PART-II TO SCHEDULE VI OF THE OMPANIES ACT, 1956 TO THE EXTENT APPLICABLE CLAUSE 4-B		
<b>PAYMENTS TO AUDITORS</b>		
i) Audit Fees	1,500	2,000
<b>TOTAL</b>	<b>1,500</b>	<b>2,000</b>
Additional information with regard to dues receivable/payable to Directors and their Associates		
i) Loans from Directors.		
Navneet Machhar	400	400
Sandeep Machhar	3,400	3,400

For M.P. BHALGAT & ASSOCIATE  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

(M.P. BHALGAT)  
PROPRITOR  
PLACE: AURANGABAD  
DATE : 30/05/2008

SANDEEP MACHHAR  
(DIRECTOR)

ARPIT MACHHAR  
(DIRECTOR)

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. SYSTEM OF ACCOUNTING**

The financial statements are prepared under the historical cost convention, using the accrual method of accounting and in accordance with the provisions of Companies Act, 1956. Accounting policies, not specifically referred to, are consistent with generally accepted accounting principles, unless otherwise stated hereinafter.

**2. MISCELLANEOUS EXPENSES**

The preliminary expenses are carry-forward to next year as the company is in pre-operative period.

**3. CONTINGENCIES AND EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET**

Accounting for contingencies (gains and losses) arising out of contractual obligation are made only on the basis of mutual acceptance.

i) Material events occurring after the date of Balance Sheet are considered up to the date of adoption of the accounts.

**4. OTHER ACCOUNTING POLICIES:**

i) In the opinion of the Board and to the best of their knowledge and belief the value on realization of current assets, in the ordinary course of business is not less than the amount at which they are stated in the Balance Sheet.

For M.P. BHALGAT & ASSOCIATE  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD  
NAVNEET MACHINES MANUFACTURING COMPANY PVT. LTD.

(M.P. BHALGAT)  
PROPRIETOR  
Membership No. 31570  
PLACE: AURANGABAD  
DATE : 30/05/2008

(DIRECTOR)

(DIRECTOR)

**Auditors Report on Consolidation account of Apt Packaging Limited**

TO THE BOARD OF DIRECTORS OF APT PACKAGING LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE APT PACKAGING LIMITED AND ITS SUBSIDIARIES.

We have audited the attached consolidated Balance Sheet of APT PACKAGING LIMITED as at 31st March 2009, the consolidated Profit & Loss Account of the Company and the Cash Flow Statement for the year ended on that date (together referred to as "financial Statement"). These financial statements are the responsibility of the Company's management. Our responsibility is to express opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of the subsidiary, whose financial statement reflect total assets of Rs. 2,08,122/- as at 31st March 2009, the total revenue of Rs. Nil and cash flow amounting to Rs. Nil for the year then ended. Other auditors whose report has been furnished to us have audited these financial statements and other financial information, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statement have been prepared by the Apt Packaging Limited management in accordance with the requirement of Accounting Standards (AS) 21, Consolidated Financial Statement, (According standards (AS) 23, Accounting for Investment in Associate in Consolidated Financial Statement and Accounting Standards (AS) 27 Financial Reporting of interest in joint venture) issued by the Institute of Chartered Accountant of India.

Based on our audit and on consideration of reports of other auditors on separate financial information of the opinion of the component and to the best of our information and according to the explanation given to us we are of the opinion that the attached consolidated financial statement give a true and fair view in conformity with the accounting principle generally accepted in India:

Subject to remarks mentioned below:

1) The Demerger of the Company has taken place during the year which was approved by the Annual General Meeting held on 30.09.2006 and also give accent by the Honorable Board for Industrial and Financial Reconstruction (BIFR) with cut of date as on 01.04.2007. The resulting Company Machhar Infrastructure Limited is formed on 29.07.2008 under Registration No. 185168 with Registrar of Companies (Mumbai). Hence in accordance with and to comply with the said order the Assets and Liabilities along with Turnover of resulting company up to 30.09.2008 has been duly transferred to resulting Company in accordance with the resolution passed and taken on record by the board of directors. (Refer Note No. 5 of Schedule 13)

2) The Company has approved the consolidation of authorized, issued and paid up equity share capital of the company into Rs. 10/- per shares in its Extra ordinary General Meeting held on 30.04.2008 and accordingly implemented during the year. (Refer Note No. 20 in Schedule No. 13)

3) We are unable to express our opinion about the recoverability of inter corporate deposit of Rs. 111.43 Lacs to M/s Sachit Plastics Pvt. Ltd. against which the company has filed a suit for recovery, still shown as good and recoverable. (Refer Note No. 6 in Schedule No. 13).

4) Further to our comments in the Annexure referred to above, we report that:

a) Subject to what is stated at point no. 'f' below, we have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of accounts as required by Law have been kept by the company as far as appears from our examination of these books.

c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.

d) In our opinion, Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act 1956.

e) On the basis of the written representations received from the Directors, taken on record by the Board of Directors, and according to the information and explanations given to us, none of the directors is disqualified as on 31st March 2009 from being appointed as a Director, under section 274(1) (g) of the Companies Act, 1956.

f) The accounts in respect of creditors, debtors, loans and advances given & taken, are subject to confirmations, reconciliation's and consequent adjustment, if any. (Refer Note No. 8 in schedule 13.)

5) In our opinion Subject to what is stated in Para 1, 2 and 3 and point no. f of paragraph 4 above, and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and Notes to Accounts and in particular Note no. 15 in Schedule 13 regarding balances etc with Micro, Small and Medium enterprises give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principals generally accepted in India:

a. In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2009 and

b. In the case of Profit and Loss Account, of the 'Profit' for the year ended on that date.

c. In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Rathi & Bangad  
Chartered Accountants

Dilip D. Jain  
Proprietor  
M. No. 44301

Date : 31/05/2009  
Place : Aurangabad.



**APT PACKAGING LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH'2009**

	SCHEDULE	AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>SOURCES OF FUNDS:</b>			
<b>SHARE HOLDERS FUNDS</b>			
Capital	1	3,30,40,640	3,99,49,316
Reserve & Surplus	2	10,85,87,308	13,39,81,697
<b>LOAN FUNDS</b>			
Secured Loans	3	8,41,87,277	17,59,57,769
Deferred Payments	4	7,59,84,831	11,18,41,367
Unsecured Loans	5	1,76,99,800	94,06,275
		<u>31,94,99,856</u>	<u>47,11,36,424</u>
<b>APPLICATION OF FUNDS:</b>			
<b>FIXED ASSETS</b>			
Gross block	6	39,77,24,934	44,62,85,528
Less: Depreciation		21,11,45,802	23,48,77,543
Less: Impairments		61,95,996	74,75,000
<b>Net Block</b>		<u>18,03,83,136</u>	<u>20,39,32,985</u>
<b>Add: Capital Work in Progress</b>		84,28,913	13,33,592
	<b>(Total A)</b>	<u>18,86,12,049</u>	<u>20,52,66,577</u>
<b>INVESTMENTS</b>			
	7	1,46,123	1,46,123
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
	8		
Inventories		2,43,14,505	2,93,70,445
Sundry Debtors (Un-secured)		2,08,25,556	4,18,53,465
Cash And Bank Balance		20,97,122	55,36,902
Other Current Assets		1,08,37,859	1,03,93,768
Loans and advances		3,33,64,088	2,39,90,057
	<b>(Total B)</b>	<u>9,14,39,130</u>	<u>11,11,44,637</u>
<b>Less: Current Liability Provisions</b>			
	9		
Liabilities		3,14,38,308	3,63,98,455
Provisions		16,62,966	15,63,057
	<b>(Total C)</b>	<u>3,31,01,274</u>	<u>3,79,61,512</u>
<b>Net Current Assets</b>	<b>(Total D=B-C)</b>	<u>5,83,37,856</u>	<u>7,31,83,125</u>
Balance in Profit & Loss Account		(7,21,45,355)	(19,24,83,626)
	<b>TOTAL</b>	<u>31,94,99,856</u>	<u>47,11,36,424</u>

Significant accounting policies and notes on accounts 13

The Schedules referred to above form an integral part of Balance Sheet

**AS PER OUR REPORT ANNEXED**

FOR RATHI & BANGAD  
 CHARTERED ACCOUNTANTS

DILIP D JAIN  
 PROPRIETOR

PLACE : AURANGABAD.  
 DATE : 31/05/2009

ARVIND MACHHAR  
 CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR  
 WHOLE TIME DIRECTOR

**APT PACKAGING LIMITED  
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31/03/2009**

	SCHEDULE	Current Year RUPEES	Previous Year RUPEES
<b>A. INCOME</b>			
Sales (Refer Note No. 3 & 4)		19,11,09,615	24,06,75,666
Transportation Income		18,11,151	30,85,594
Other Income	10	53,53,184	4,178,811
Increase/(Decrease) in Inventory		(15,27,055)	(16,90,308)
<b>TOTAL :</b>		<b>19,67,46,894</b>	<b>24,62,49,764</b>
<b>B. EXPENDITURE</b>			
Raw Material Consumed		6,63,95,505	9,03,75,347
Purchases & Expenses (Merchant Export)		34,70,209	29,63,228
Transportation Exp.		28,85,189	19,15,792
Other Expenses	11	10,08,33,644	11,02,42,797
Depreciation		1,91,44,426	2,03,92,367
Impairment of Assets		-	57,32,670
<b>TOTAL :</b>		<b>19,27,28,973</b>	<b>23,16,22,201</b>
<b>C. NET PROFIT/(LOSS) BEFORE TAX</b>		<b>40,17,921</b>	<b>1,41,80,977</b>
Less Transferred to Resulting Company		(8,61,144)	(4,46,586)
Net Profit /(Loss) Before Tax		40,79,065	1,46,27,563
<b>Add / Less : Expenses related to earlier year</b>		<b>(2,41,092)</b>	<b>(4,77,961)</b>
<b>Add / Less : Income relating to earlier year</b>		<b>13,83,005</b>	<b>2,28,129</b>
<b>ADD : Extra Ordinary items</b> (Waiver of Financial Institution Interest)		<b>9,54,01,241</b>	<b>12,78,02,689</b>
<b>D. NET PROFIT/(LOSS)</b>		<b>10,14,22,218</b>	<b>14,17,33,834</b>
<b>Less: Provision for Fringe Benefit Tax</b>		<b>5,64,340</b>	<b>5,82,554</b>
Profit After Tax transferred to P&L appropriation account	12	10,08,57,878	14,11,51,280
<b>F.1. Basic and diluted earning per share (in Rs.)</b> considering extra ordinary items		36.50	20.43
<b>F.2. Basic and diluted earning per share (in Rs.)</b> without considering extra ordinary items		1.97	1.93
Significant accounting policies and notes on accounts.	13		

The Schedules referred to above form an integral part of Profit & Loss A/c

**AS PER OUR REPORT ANNEXED**

FOR RATHI & BANGAD  
CHARTERED ACCOUNTANTS

DILIP D JAIN  
PROPRIETOR

PLACE : AURANGABAD.  
DATE : 31/05/2009

ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE TIME DIRECTOR

## SCHEDULES FORMING PART OF THE BALANCE SHEET AND P&L A/C

SCHEDULE NO.1	AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
1,00,00,000 Equity Share of Rs.10 each	10,01,00,000	10,01,00,000
<b>ISSUED CAPITAL :</b>		
35,36,417 (88,41,043) Equity shares of Rs.10/- (Rs.5/-) each	3,53,64,170	8,84,10,430
<b>PAID UP CAPITAL : (Refer Note No 8 &amp; 25)</b>		
27,63,467 (69,08,669) Equity Shares of Rs.10/- (Rs.5/-) each fully paid up. 1,616 (4,040) shares allotted as fully paid up in consideration other than cash and 2,680 (6,700) shares are pending for exchange of Girnar Holding Ltd.	2,76,34,870	3,45,43,546
Forfeited Shares	54,05,770	54,05,770
<b>TOTAL</b>	<b>3,30,40,640</b>	<b>3,99,49,316</b>
<b>SCHEDULE NO.2</b>		
<b>RESERVE AND SURPLUS</b>		
<b>1) CAPITAL RESERVE</b>		
Capital Incentives (Subsidy)	53,39,989	
Profit on Reissue of forfeited shares	3,35,500	
Capital Reserve	56,75,489	56,75,489
<b>2) SECURITIES PREMIUM ACCOUNT</b>		
Capital Reserve	5,48,21,914	5,48,21,914
<b>3) INVESTMENT ALLOWANCE (Utilised Reserve)</b>		
Investment Allowance	4,80,89,905	4,80,89,905
Less: Transferred to P&L Appropriation Account	53,94,389	53,94,389
<b>4) GENERAL RESERVE</b>		
General Reserve	2,00,00,000	2,00,00,000
Less: Transfer for Business Reorganisation - Demergèr of Company (Refer note, no.5 of Sch.13)	63,62,082	
LESS: Transferred to P&L Appropriation Account	1,36,37,918	
<b>TOTAL</b>	<b>10,85,87,308</b>	<b>13,39,81,697</b>
<b>SCHEDULE NO.3</b>		
<b>SECURED LOANS</b>		
<b>1. TERM LOANS FROM:</b>		
a) Financial Institutions		2,43,99,976
b) Union Bank of India		9,50,597
c) Punjab National Bank Term Loan - I "Due within one year Rs.68.33 lacs)	2,81,34,451	80,65,600
d) Punjab National Bank Term Loan - II "Due within one year Rs.16.76 lacs)	16,75,628	
e) HDFC Bank Ltd. (Vehicle Loan) "Due within one year Rs.1.17 lacs)	1,17,002	11,68,193
<b>2. WORKING CAPITAL LOANS FROM:</b>		
a) Union Bank of India		23,49,395
b) Indian Bank		6,97,753
c) Punjab National Bank	5,42,60,196	4,29,25,014
<b>3. INTEREST ACCRUED AND DUE:</b>		
a) Financial Institutions		9,54,01,241
<b>TOTAL</b>	<b>8,41,87,277</b>	<b>17,59,57,769</b>
<b>NOTES:</b>		
1) Working Capital loans of Rs.542.60 Lacs (Rs.429.25 Lacs) from Punjab National Bank are secured by way of hypothecation of raw materials, finished goods, goods in process, stores and are against debts invoiced for supplies/documentary proof of dispatch of Co-Ex Tubes and further secured by second charge on all fixed assets situated at Plot No. J-18 Chikalhana, Gut No.72 Pharola, Survey No. 58 at Nandrabad.		
2) Term Loan of Rs.298.10 (Rs.80.66 Lacs) due to Punjab National Bank is secured by way of Mortgage of immovable properties situated at Plot No. J-18 Chikalhana, Gut No. 72 Pharola, and Survey No.58 at Nandrabad.		
3) Vehicle car loan of Rs.1.17 lacs (Rs.9.56 Lacs) are secured against the vehicles acquired out of the said loans.		
4) Term Loans/Working Capital Loans are guaranteed by Managing Director and Whole Time Director.		
<b>SCHEDULE NO.4</b>		
<b>DEFERRED PAYMENTS</b>		
<b>1. Sales Tax Deferment:</b>		
a) ANFO Unit, Waidhan (M.P.)	--	3,67,49,907
b) Co-Ex Tube, Pharola (Due within one year Rs.7.20 lacs)	5,24,08,483	4,90,15,112
<b>2. VBC Industries Ltd. * (Due within one year Rs.170.56 lacs)*</b>		
	<b>2,35,76,348</b>	<b>2,60,76,348</b>
<b>TOTAL</b>	<b>7,59,84,831</b>	<b>11,18,41,367</b>

\* The deferred payment of VBC Industries Limited is settled at Rs.200.56 Lacs as per the sanctioned scheme. However remission of balance liability of Rs.65.20 Lacs will be written back after making full payment and withdrawal of legal suit filed.

**SCHEDULE NO.5**

AS AT 31.03.09  
REPEES

AS AT 31.03.08  
REPEES

**UNSECURED LOANS**

MIDC Incentives Loan		3,92,475
i) Directors	51,43,800	27,28,800
ii) Promoters	65,81,000	3,10,000
iii) Promoter group company	59,75,000	59,75,000
<b>TOTAL</b>	<b>176,99,800</b>	<b>94,06,275</b>

Note: Interest Free Unsecured Loan received from Director's and shareholders to meet the shortfall in repayment to Financial Institutions as per terms and condition of the sanctioned scheme, which is to be converted into equity.

**SCHEDULE NO.6**

**FIXED ASSETS**

PARTICULARS	GROSS - BLOCK			DEPRECIATION					Impairment Reserve Op. Bal	NET BLOCK	NET BLOCK
	AS ON 01/04/2008	Addition	Deduction	AS ON 31/03/2009	AS ON 01/04/2008	FOR THE YEAR 31/03/2009	Addition/ (Deletion)	UP TO 31/03/2009		AS ON 31/03/2009	AS ON 31/03/2008
LEASE HOLD LAND	85509	--	--	85509	15137	14397	--	15885	--	69624	71120
FREEHOLD LAND	13078522	--	--	13078522	--	--	--	--	--	13078522	13078522
BUILDING	40678196	--	--	40678196	17557496	1520855	--	18901480	--	21776716	24452134
PLANT & MACHINERY	313332260	21285190	483338	334134112	169756463	16825541	(206387)	185068016	6115726	142950371	152645757
FURNITURE & FIXTURE	3970923	34753	--	4005676	3048769	144987	--	3189498	3321	812857	1161160
OFFICE EQUIPMENTS	2372939	318285	--	2691224	1721410	82526	--	1788499	70702	832023	692881
VEHICLES	1094892	0	--	1094892	442874	211093	--	544113	6247	544532	690444
COMPUTERS	1799979	156823	--	1956802	1333333	345027	--	1638311	--	318492	728917
<b>TOTAL</b>	<b>376413220</b>	<b>21795052</b>	<b>--</b>	<b>397724934</b>	<b>193875481</b>	<b>19144426</b>	<b>(206387)</b>	<b>211145802</b>	<b>6195996</b>	<b>180383136</b>	<b>193520934</b>
CAPITAL WORK IN PROGRESS	1333592	7095321	--	8428913	--	--	--	--	--	8428913	1333592
GRAND TOTAL	377746812	28890373	--	406153847	193875481	19144426	(206387)	211145802	-7475000	188812049	194854526
PREVIOUS YEAR	431105368	16513751	--	447466535	214485176	20392367	--	234877543	7475000	205266577	--

- NOTES: 1. Depreciation has been charged on straight-line method, however depreciation on additions and assets sold during the year has been charged proportionately.  
2. Premium paid on leasehold land written off proportionately.

**SCHEDULE NO.7**

**SHARES AND DEBENTURES**

(As verified by the Management)

**I. UNQUOTED AT COST**

- a. In Subsidiary Company  
    Navneet Mach. Mfg. Co. Pvt. Ltd.
- b. Devgiri Nagri Shahkari Bank Ltd.

	9,980	
	1,050	10,555
<b>TOTAL (I)</b>	<b>10,555</b>	<b>10,555</b>

**II. QUOTED (FULLY PAID, AT COST)**

UTI Master	846	
UTI Master Gain	300	1,644
Dhar Cements Limited	183	3,000
Titan Industries Limited	56	5,930
Nirup Synchrom Limited	5,000	5,830
Maharashtra Explosives Limited	5,000	2,29,500
Astra Zeneca Pharma India Limited	3,550	2,29,500
Sanchay Finvest Limited	100	1,07,565
Less: Provision for quoted Investment	5,000	2,512
		75,000
		(2,95,413)

<b>TOTAL (II)</b>	<b>1,35,568</b>	<b>1,35,568</b>
<b>TOTAL (I+II)</b>	<b>1,46,123</b>	<b>1,46,123</b>

**COST OF QUOTED INVESTMENTS**

**MARKET VALUE OF QUOTED INVESTMENTS**

	<b>1,35,568</b>	<b>1,35,568</b>
	<b>1,34,285</b>	<b>1,45,675</b>

SCHEDULE NO.8	AS AT 31.03.09 REPEES	AS AT 31.03.08 REPEES
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. CURRENT ASSETS:</b>		
<b>I. INVENTORIES</b> (Valued at Lower of Cost and net realisable value except stated other wise. (As certified by the Management )		
Raw Material		
Indigenous	67,56,483	88,13,429
Imported	34,63,278	37,44,414
Merchant Export	7,81,702	--
Finished goods	39,38,767	57,39,365
Semi finish Goods & Work in Progress at Cost	8,93,859	18,28,774
Packing Material at cost	4,20,640	7,69,588
Stores and Spares at cost	80,59,776	84,74,875
<b>TOTAL</b>	<b>2,43,14,505</b>	<b>2,93,70,445</b>
<b>II. SUNDRY DEBTORS CONSIDERED GOOD</b>		
Exceeding Six Months (Un-Secured)	24,41,373	1,15,148
Less: Provision for doubtful debts	(23,26,225)	1,90,19,087
Others (Un-Secured)	2,07,10,408	2,28,34,378
<b>TOTAL</b>	<b>2,08,25,556</b>	<b>4,18,53,465</b>
<b>III. CASH AND BANK BALANCE</b>		
Cash In Hand	3,42,627	1,20,042
Balance with scheduled Banks		
In Current Accounts	4,69,245	16,76,196
In Time Deposit Accounts	12,85,187	37,39,665
<b>TOTAL</b>	<b>20,97,122</b>	<b>55,36,902</b>
<b>IV. OTHER CURRENT ASSETS</b>		
Pre-Paid expenses	3,85,282	3,47,718
TDS Receivables	24,01,711	25,81,173
VAT Receivables	23,92,237	8,76,935
RG-23-A Un-utilised Balance	13,00,622	14,26,709
RG-23-C Un-utilised Balance	5,77,692	3,14,587
Deposits	37,80,314	48,46,646
<b>TOTAL</b>	<b>1,08,37,859</b>	<b>1,03,93,768</b>
<b>B. LOANS AND ADVANCES</b>		
(Unsecured considered good except stated otherwise)		
Loan to subsidiary		
Others	1,11,42,549	1,11,42,549
Inter Corporate Deposit to Resulting Company	14,81,950	--
Advance to Suppliers for Capital goods	1,68,07,635	80,42,766
Advance to Suppliers	36,54,724	45,40,852
Advances recoverable in cash or in kind or for value to be received	2,77,231	2,63,890
<b>TOTAL</b>	<b>33,364,088</b>	<b>23,990,057</b>
	<b>91,439,130</b>	<b>111,144,637</b>
<b>SCHEDULE NO. 9</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry creditors	13,609,353	15,565,611
Int. accrued but not due		2,59,041
Deposits	63,500	63,500
Advance from Customers	1,01,35,380	1,12,74,623
Other Liabilities	76,30,075	92,35,680
<b>TOTAL</b>	<b>31,438,308</b>	<b>36,398,455</b>
<b>B. PROVISIONS</b>		
Provision for Gratuity	16,62,966	15,63,057
<b>TOTAL</b>	<b>16,62,966</b>	<b>15,63,057</b>
	<b>33,101,274</b>	<b>37,961,512</b>
<b>MISC. EXP. TO THE EXTENT NOT W/OFF OR ADJ.</b>		
Preliminary Expenses	58,473	56,9736
Less : Written off		
<b>TOTAL</b>	<b>58,473</b>	<b>56,973</b>

**SCHEDULE NO.10**

	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>OTHER INCOME</b>		
1. Sale of Scrap (TCS Rs.23,169/-)	14,91,976	10,83,631
2. Interest Received (TDS Rs. 8,242/-)	3,44,321	2,66,700
3. Dividend on shares	7,830	4,065
4. Export Incentives	12,59,651	9,07,639
5. Credit balances Written back (Refer Note no.10 in Sch.No.13)	10,42,718	4,69,216
6. Foreign Exchange variations	11,67,142	11,21,956
7. Profit on Sale of Assets	23,049	
8. Other Receipts	16,497	3,25,604
<b>TOTAL</b>	<b>53,53,184</b>	<b>41,78,811</b>

**SCHEDULE NO.11**

**OTHER EXPENSES**

Excise Duty		1,47,13,540	1,84,08,980
Sales Tax		42,80,600	94,00,699
Excise Duty for Closing Stock Provision		4,757	90,473
Stores and Spares Consumed		73,43,488	34,17,850
Packing Material Consumed		48,01,243	69,00,798
Water Charges		65,811	69,771
Wages Contract		46,23,906	51,95,730
Power, Fuel etc.		98,67,591	1,19,93,676
Job work Charges		2,86,408	17,04,620
Transportation Expenses (Co-Tube Div. Export)		50,02,287	55,12,328
<b>Repairs &amp; Maintenance</b>			
Machinery	19,48,670		
Building	2,99,810		
Others	3,79,152	26,27,632	31,47,572
<b>Employee Cost</b>			
Salary, wages etc.	1,52,89,306		
PF Contribution	6,27,580		
Employee welfare	4,10,806	1,63,27,692	1,60,51,731
Rates & Taxes		17,8,378	3,55,455
Insurance		5,74,913	6,18,081
Telex, Telephone & Postage		17,96,511	13,77,482
Directors Remuneration		16,66,277	13,99,898
Audit Fees	1,00,000		
Others	20,000		
Out of Pocket Expenses	2,899	1,22,899	1,24,563
Foreign Traveling Expenses		10,86,483	22,64,293
Traveling Expenses		23,85,635	22,90,586
Legal and Professional Expenses		6,90,131	13,18,047
Sales Rebate & Discount		3,44,241	23,53,271
Exhibition & Marketing Expenses		31,64,553	27,22,084
Debit Bal. Written off		1,75,709	5,03,384
<b>Miscellaneous Exp.</b>		86,14,617	76,00,059
Interest (Working Capital)		59,40,523	48,04,932
Interest (TERM LOAN)		35,73,989	
Interest to others		33,829	1,06,435
Building Rent		5,40,000	5,09,999
<b>TOTAL</b>		<b>100,833,644</b>	<b>110,242,797</b>

**SCHEDULE NO.12**

**PROFIT AND LOSS APPROPRIATION ACCOUNT:**

Balance B/F from last year	(19,24,83,626)	(36,86,27,558)
ADD: Profit for the year	10,08,59,378	14,16,00,587
ADD: Capital Reduction Amount		3,45,43,345
ADD: Loss of Resulting company for the F.Y.'07-08	4,46,586	-
ADD: General Reserve Transferred to P&L Account	1,36,37,918	-
ADD: Investment Allowance (Utilised Reserve) Transferred to P&L Account	53,94,389	-
<b>TOTAL Profit/(loss) carried to Balance Sheet</b>	<b>(7,21,45,355)</b>	<b>(19,24,83,626)</b>

**SCHEDULE NO.13****SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:****I. SIGNIFICANT ACCOUNTING POLICIES:****a) General:**

The Financial statements are prepared on historical cost basis in accordance with applicable accounting standards and on the accounting principle of going concern. Income and expenses to the extent considered receivable or payable are accounted for on mercantile basis.

**b) Fixed Assets and Depreciation and Amortization:**

- i) Fixed Assets are stated at cost of acquisition net of Cenvat, inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. As per the practice and on the basis of technical evaluation report expenses incurred on trial runs, know-how, development, modernization, de-bottlenecking of plant and equipment and adjustment arising from exchange rate variation relating to borrowings attributable to the fixed assets, are capitalized.
- ii) Depreciation is provided for in the accounts on straight line method at the rates computed in accordance with Schedule XIV of the Companies Act, 1956 except for certain asset as on 1st April, 1994 for which specified period has been recomputed as per the revised rates in Schedule XIV and operational charge calculated by allocating the un-amortized value over the remaining part of the recomputed specified period.
- iii) Depreciation on addition is being provided on pro-rata basis from the following month of such additions.
- iv) Depreciation on assets sold, discarded or demolish during the year, is being provided at their rates up to the month in which such assets are sold, discarded or demolished.
- v) Normal depreciation is provided on addition on account of exchange variation of foreign-currency loans in the following years.
- vi) Rates of depreciation for plant and machinery of the co-extruded tube division is considered as continuous process plant @ 5.28%.
- vii) Plant & Machinery other than (1) above @ 4.75%
- viii) The depreciation has been charged on block of assets instead of individual assets in respect of assets owned by the company up to 01-04-1991 in absence of sufficient details.
- ix) Premium on leasehold land has been amortized (written off) proportionately over the period of lease.

**c) Foreign Currency Transactions:**

- a) The transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary items denominated in foreign currency at year-end are translated at rates prevailing on the last day of the Financial Year.
- b) Foreign Currency Loans for acquisition of fixed assets are converted at the rate prevailing on the date of Balance Sheet. The fluctuation is adjusted in the cost of fixed assets.

**d) Investments:**

Investments are stated at cost and appropriate diminution except temporarily nature in the value of quoted investment is being provided for.

**e) Inventories:**

- i. Inventories are valued at lower of cost and net realisable value except packing material, stores & spares, semi finished goods and work in progress which are valued at cost.
- ii. Cost is computed on the basis of FIFO. In case of finished Goods and goods in process, cost includes material cost, labour and overhead expenses inclusive of depreciation.
- iii. Inventory verified, valued and certified by management.

**f) Sales and Income Recognition (Refer note No. 3 & 4)**

- i. Sales are stated and recognized at Gross value i.e. inclusive of all taxes and freight charged to customers.
- ii. Merchant Exports (Inclusive of Transportation thereon) accounted on dispatch to customer basis on gross value and grouped under sales.
- iii. Transportation Receipts accounted on booking of vehicles.
- iv. Dividend and interest on investment are accounted for as and when right to receive basis accrued in favour of company.

**g) Cenvat (Modvat):**

Cenvat (Modvat) Credit availed on fixed assets is adjusted to the cost of the asset. Other Cenvat (Modvat) Credit availed is set off with the purchase cost. Cenvat of Service Tax availed is set-off with the respective services. Unutilized balance is shown under the head "Other Current Assets."

**h) Retirement Benefits:**

- i. Contribution to the Provident Fund is made monthly as per the provisions of the Provident Fund Act.
- ii. The provision of Gratuity for employees and Directors are recognized and accounted for on the basis of Actuarial Valuation made by authorized assessor.
- iii. Leave encashment is determined on the basis of leave rules of the company and accounted on accrued basis.

**i) Government Grants:**

Grants in nature of project capital subsidy are credited to capital reserve.

**j) Impairment of Fixed Assets:**

The fixed assets specifically Land, Building and Plant & Machinery of the company have been valued from the approved valuer at a reasonable interval in order to comply with the requirement of AS-28. Impairment aspect of Fixed Assets for other assets, they are stated at residual value.

**k) Misc. Expenditures:**

Misc. preliminary and preoperative expenses are written off over a period of five years.

**l) Prior period items etc. (Refer note No. 16):**

Prior period expenses/income, non-recurring and extra-ordinary items having material impact disclosed in financial statement separately.

**m) Contingent Liability:**

Contingent Liabilities are disclosed by way of the Notes to the Accounts. Disputed demands in respect of Central Excise, Customs, Income Tax, Sales Tax and other claims are disclosed as contingent liabilities. Payment in respect of such demands, if any, is shown as an advance, till the final outcome of the matter and payment debited to respective head of expenses in the year of payment made, as the case may be.

**n) Taxes on Income: (Refer note No. 14)**

Deferred tax is recognized on timing difference between the accounting income and taxable income for the year that originates in one period and is capable of reversal in one or more subsequent period. Such deferred tax is quantified using the tax rate and laws enacted or substantively enacted as on the Balance sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**o) Borrowing Costs:**

In case of period of construction / installation of the qualifying fixed assets is which takes more than a year, borrowing costs that are directly attributable to the acquisition / construction of the are capitalized as part of respective asset, up to the date of acquisition / completion of construction. Other borrowing costs are recognized as expenses in the period in which they are incurred.

**II NOTES TO THE ACCOUNTS**

**1. Segment Reporting:**

Broadly by all criteria the activities of the company falls in the segments as detailed below.

Criteria	Segment
Product base	1. Co-extruded Tube 2. Merchant Export
Customer base	Domestic market/ overseas market
Geographical Area of Operation	Domestic market/ overseas market
Geographical area of assets location	Maharashtra

**A. Primary Segment: Business segment**

The operations of the company falls within two business segment i.e. Co-extruded tube segment & Merchant Export segment. The financial data for segment reporting as follows.

Sr. No.	PARTICULARS	Merchant Export division amt in lacs	Co-extruded Tube Division (Amt in lacs)	Total Amt in Lacs
	<b>Revenue</b>			
A	Sales	32.29	1,649.40	1,681.68
B	Profit / Loss Before Dep. and Interest	3.33	332.40	335.73
C	Interest Expenses	-	95.44	95.44
D	Depreciation & Impairment	-	191.44	191.40
E	Extra Ordinary Items	-	954.01	954.01
F	<b>Net Profit/Loss</b>	<b>3.33</b>	<b>999.49</b>	<b>1002.82</b>
	<b>Other Information</b>			
G	Segmental Assets	-	4,060.01	4,060.01
H	Less Depreciation & Impairment	-	2,173.42	2,173.01
I	<b>Net Assets</b>	-	<b>1,886.59</b>	<b>1,886.59</b>
J	Segmental Liabilities	-	330.98	330.98

**B. Secondary Segment: Geographic Segment**

The geographic segment identified, as secondary segment are "Domestic Market" and "Export Market".

PARTICULARS	Merchant	Co-Ex Tube	TOTAL
A DOMESTIC	-	1,186.02	1,186.02
B EXPORT	-	463.38	463.38
C EXPORT (MERCHANT)	32.29	-	32.29
<b>TOTAL</b>	<b>32.29</b>	<b>1,649.40</b>	<b>1,681.68</b>



**NOTE:**

- A) The Company has common assets for producing goods for Domestic Market and Overseas Market. Hence, separate figure for assets / additions to fixed assets are not furnished.
- B) The above figures of the segment reposting exclude the operations of the chemical division of the Company which were de-merged on 01.10.2008 with the cut off date of 01.04.2007. The loss for the period from 01.04.2008 to 30.09.2008 amounting to 8.61 Lacs has been transferred to this new company (Resulting Company)

**2. Related Party Disclosure:**

Sr. No.	Name of the Party	Relationship	Nature	Amount (C.Y)	Amount (P.Y)
01.	Arvind Machhar	Chairman Cum Managing Director	Remuneration	11,33,006	9,37,103
02.	Sandeep Machhar	Whole Time Director	Remuneration	8,04,528	8,64,245
03.	Arpit Machhar	Son of CMD	Salary	3,67,688	3,67,685
04.	Nishant Machhar	Son of CMD	Salary	2,54,855	--
05.	Arvind Machhar	Chairman Cum Managing Director	Interest Free Unsecured Loan Taken	46,40,000	27,25,000
06.	Sandeep Machhar	Whole Time Director	Interest Free Unsecured Loan Taken	5,00,000	--
07.	Arpit Machhar	Son of CMD	Interest Free Unsecured Loan Taken	2,20,000	1,10,000
08.	Prabha Machhar	Wife of CMD	Interest Free Unsecured Loan Taken	1,00,000	1,00,000
09.	Prema Machhar	Wife of Director	Interest Free Unsecured Loan Taken	31,00,000	1,00,000
10.	Kiran Machhar	Wife of WTD's Brother	Interest Free Unsecured Loan Taken	18,00,000	--
11.	Sunita Machhar	Wife of WTD's Brother	Interest Free Unsecured Loan Taken	13,61,000	--
12.	Race Course Capital Market Limited	Promoters Group Company	Interest Free Unsecured Loan Taken	59,75,000	59,75,000
13.	Navneet Machines Mfg. Co. Pvt. Ltd.	Subsidiary Company	Interest free Unsecured loan Given	87,206	84,806
14.	Khandelwal Jain & Co.	Related Concern of Non Executive Independent Director	Payment of Professional Fees	20,206	16,854

3. Sales include Merchant Exports (inclusive of transportation) Rs.35.69 Lacs (Rs.41.04 Lacs.) and sales (including transportation receipt) for the first six month of the financial year related to the resulting company Rs.247.53 lacs.
4. Sales are stated at gross value inclusive of taxes and freight.

**5. DEMERGER OF THE COMPANY**

As per the Sanctioned Scheme ordered by the Hon'ble Board for Industrial & Financial Reconstruction (BIFR), New Delhi, The demerger of company has been effected and accordingly, all Divisions of Aurangabad territory i.e. Pharola Division, Chikalthana Division and Nandrabad Division is retained with the exiting company and all other Divisions i.e. Panoli Division, Waidhan Division, Jharsuguda Division jointly known as chemical division has been transferred to the resultant company Machhar Infrastructure Limited. The de-merger has been effected on 01.10.2008 with the cut off date of 01.04.2007. The profit and loss for the period from 01.04.2007 to 31.03.2008 and 01.04.2008 to 30.09.2008 amounting to Rs. 4.47 Lacs and 8.61 Lacs respectively has also been transferred to the resulting company.

During the year under review, to affect the de-merger pursuant to the sanctioned scheme dated 19.11.2007 ordered by Hon'ble BIFR, one share of Rs. 4 each in the existing Company i.e. Apt Packaging Limited and 0.1 share of Rs.10 each in the Resulting Company i.e. Machhar Infrastructure Limited have been allotted to the holder of one share of Rs. 5 each of the existing Company is issued.

Further in accordance to the approval of members in the EGM held on 30.04.2008 for consolidation of shares, one share of Rs.10 each has been issued against the 2.5 shares of Rs.4 each of the Company by process of consolidation.

The statement of assets and liabilities transferred to the Resulting Company including the apportioned profit/loss for the period as on up to 30.09.2008 are as under:

PARTICULARS	Total
<b>SHARE HOLDERS FUNDS</b>	
Capital	69.09
<b>TOTAL</b>	<b>69.09</b>
<b>LOAN FUNDS</b>	
Secured Loans	27.09
Deferred Payments (Sales Tax)	372.10
Unsecured Loans	5.75
Inter Corporate Deposit - Apt Packaging Ltd.	13.08
<b>TOTAL</b>	<b>418.02</b>
Current Liabilities	41.80
<b>TOTAL Liabilities</b>	<b>528.91</b>
Fixed Assets (including CWIP)	274.41
Current Assets, Loans & Advances	305.04
Profit & Loss for the period 01.04.07 to 30.09.08 relating to operations of resulting Company transferred.	13.08
<b>TOTAL Assets</b>	<b>592.53</b>
Difference between the amount of Assets and Liabilities transferred to General Reserve account of De-merged company	<b>63.62</b>

The Statement of turnover and related expenses of resulting company for the period ended up to 30.09.2008 included in the company's financial statement is as under.

PARTICULARS	Total
<b>A. INCOME</b>	
Sales	229.41
Transportation Income	18.11
Other Income	1.07
Increase/(Decrease) in Inventory	0.14
<b>TOTAL</b>	<b>248.73</b>
<b>B. EXPENDITURE</b>	
Raw Material Consumed	121.64
Transportation Exp.	13.56
Other Expenses	105.39
Depreciation & Impairment	16.68
<b>TOTAL</b>	<b>257.27</b>
<b>C. NET PROFIT/(LOSS) BEFORE TAX</b>	<b>(8.54)</b>
Add : Expenses related to Earlier year	(0.12)
Add : Income relating to earlier year	0.04
<b>D. NET PROFIT/(LOSS)</b>	<b>(8.61)</b>

6. No Interest is accounted for in respect of inter corporate deposits to M/s Sachit Plastics Pvt. Ltd. amounting to Rs.111.43 lacs (Rs.111.43 lacs). If interest calculated being simple interest @ 18% for the year comes to Rs.20.06 lacs (Rs.20.06 Lacs) accumulated up to 31/03/2009 come to Rs.240.72 Lacs (Rs. 220.66 Lacs). The company has filed suit for the recovery of dues from Sachit Plastic Pvt. Ltd. In the opinion of management, the said deposit is recoverable and shown as good.

**7. Contingent Liabilities:**

- a. Claims not acknowledged as debts are on account of a case filed against the company by M/s Food Fats and Fertilizers Ltd. on behalf of Apte Organic Chemicals Pvt. Ltd. in Mumbai High Court for the recovery of Rs.2.67 Lacs (Rs.2.67 Lacs). The company is contesting the same. However the BIFR have ordered for repayment schedule for the account.
- b. In respect of fiscal liabilities that may arise on account of non-observance of provisions of various fiscal statutes, Companies Act and other related laws and interest chargeable on demands raised and not paid if any, amount is not ascertainable.
- c. Estimated amount of contract remaining to be executed net of advances on capital account and not provided for Rs.340.98 Lacs (Rs.459.34 Lacs).
8. The outstanding balances of Debtors, Creditors and Loans & Advances (taken and given) are subject to confirmation, reconciliation and consequent adjustments if any. The difference as may be noticed on reconciliation will duly be accounted for on completion thereof. In the opinion of the Management the ultimate difference will not be material.  
In the opinion of the Board and to the best of their information and belief, the value on realization of sundry debtors, current assets and loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet, except to the extent considered doubtful and provided for.

**9. Directors Remunerations:**

(Rs. in Lacs)

Particulars	C.M.D		W.T.D.		TOTAL	
	C. Year	Pr Year	C. Year	P. Year	C. Year	P. Year
i. Salary	9.69	7.85	6.85	6.16	16.54	14.01
ii. Perquisites	1.55	1.43	1.11	1.01	2.66	2.44
iii. Sitting Fees	--	--	--	--	--	--
iv. Commission	--	--	--	--	--	--
v. Leave Encashment	--	--	--	1.38	--	1.38
vi. Contribution to P.F.	0.09	0.09	0.09	0.09	0.18	0.18
<b>TOTAL</b>	<b>11.33</b>	<b>9.37</b>	<b>8.05</b>	<b>8.64</b>	<b>19.38</b>	<b>18.01</b>

10. Credit balances belongs sundry creditors Rs.10.43 lacs has been written back and Debit balances belongs to sundry debtors Rs.1.76 lacs has been written off as certified by the management of the company and relied on by auditor.
11. The fixed assets specifically, Land, Building and Plant & Machinery of the company have been valued from the approved valuer at a reasonable interval in order to comply with the requirement of AS-28. Impairment aspect of Fixed Assets for other assets, they are stated at residual value.
12. Certain statutory requirements and records are in the process of their compilation / up-dation. The company in the process of appointment of full time company secretary.

13. During the year manufacturing activities at the plants of the company situated at Chikalthana Aurangabad and Nandrabad Dist. Aurangabad were remained suspended. However, depreciation of all above divisions is charged amounting to Rs.13.89 Lac.
14. **Deferred Income Taxes:**
- The company is having carried forward losses amounting to Rs.721.45 Lac (Previous year Rs.1,924.85 Lac) as per books of accounts.
  - In view of the carried forward losses / unabsorbed depreciation in respect of past years both as per books and as per income tax, the company may not have the taxable income in the near future and hence, cumulative net deferred tax assets after deducting deferred tax liabilities have not been recognized by the company on prudence basis in accordance with the AS-22 issued by the ICAI. Similarly, net deferred tax asset for the current year have also not been recognized on prudence basis.
15. The Company is in process to identify the names of the Companies, firms and parties etc on which Micro, Small and Medium enterprises Act'2006 is applicable and accordingly letters to all of the creditors, suppliers and service providers have been posted by the Company. The responses of the letters are awaited. In view of the same no interest under the act has neither been demanded by anyone nor has been provided.
16. Prior-period expenditure amounting to Rs.2.41 Lac (Rs.4.78 Lac) debited during the year and Rs.13.83 Lac (Rs.2.28 Lac) income credited during the year. The Details are as under.

No. Sr.	Particulars	Expenses		Income	
		Current Year	Previous Year	Current Year	Previous Year
01.	Interest & Bank Charges	0.26	--	4.88	--
02.	Property Tax, PF etc.	---	1.58	--	0.07
03.	Professional Fess	--	--	1.03	--
04.	Excise & Sales Tax	0.81	1.78	--	0.00
05.	Traveling	--	0.18	---	0.81
06.	Others	1.00	1.24	0.64	1.39
07.	Purchase, Repair	0.35	--	7.28	--
	<b>TOTAL</b>	<b>2.41</b>	<b>4.78</b>	<b>13.83</b>	<b>2.28</b>

17. **Earning Per Share:**

The basic and diluted EPS is calculated as under:

Particulars	Current Period	Previous Period
Profit/(loss) attributable to Equity Share Holders (Rs. in lacs) including extra ordinary items of Rs.9,54,01,241/- (Rs.12,78,02,689/-)	10,08,59,378	14,16,36,555
Weighted average number of Equity Shares of Rs.10 Each (Rs.5 each)	27,63,467	69,08,669
<b>Earning per share</b> (considering extra ordinary items)	36.50	20.43
<b>Earning per share</b> (without considering extra ordinary items)	1.98	1.93

18. **A. Additional Information pursuant to the provisions of part II of the Schedule VI to the Companies Act'1956.**

	CHIKALTHANA	NANDRABAD	PHAROLA
	Ammonium Nitrate	Emulsion matrix and pre-emulsion matrix	Co-extruded tubes
	31.03.2009 (31.03.2008)	31.03.2009 (31.03.2008)	31.03.2009 (31.03.2008)
	Qty. in MT	Qty. in MT	Qty. in Lacs
Licensed Capacity	N/A (N/A)	5000.00 (5000.00)	760.00 (760.00)
Installed Capacity	13000.00 (13000.00)	5000.00 (5000.00)	740.00 (740.00)
Production	NIL (NIL)	NIL (NIL)	344.55 (381.76)
Sales	NIL (NIL)	NIL (NIL)	346.29 (383.47)
Job-Work	NIL (NIL)	NIL (NIL)	NIL (NIL)
Op. Stock	NIL (NIL)	NIL (NIL)	1.86 (1.84)
Rs. In Lacs	NIL (NIL)	NIL (NIL)	6.25 (7.29)
Cl. Stock	NIL (NIL)	NIL (NIL)	0.12 (1.86)
Rs. In Lacs	NIL (NIL)	NIL (NIL)	0.40 (6.25)

Note: The above information is certified by the management and being a technical matter, the same is relied on by auditors.

**B. RAW MATERIAL CONSUMED:**

NAME	QUANTITY (MT)		VALUE (Rs.)	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
I). HDPE/LLDPE/LDPE/PP	536.00	560.64	331.54	461.78

**C. VALUE OF RAW MATERIAL, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR:**

	31/03/2009 Value (in Rs.)	%	31/03/2008 Value (in Rs.)	%
I). RAW MATERIAL				
IMPORTED	219.39	33.04	218.82	24.21
INDIGENOUS	444.57	66.96	684.94	75.79
<b>TOTAL</b>	<b>663.96</b>	<b>100.00</b>	<b>903.75</b>	<b>100.00</b>
II). SPARE PARTS AND COMPONENTS				
IMPORTED	38.06	58.36	20.96	27.21
INDIGENOUS	27.15	41.64	56.07	72.79
<b>TOTAL</b>	<b>65.21</b>	<b>100.00</b>	<b>77.03</b>	<b>100.00</b>

**D. INCOME/EXPENDITURE IN FOREIGN CURRENCY:**

	PARTICULARS	31/03/2009	31/03/2008
I)	Earning in Foreign Exchange	495.67	693.36
II)	CIF value of Imports of Material	230.91	204.54
III)	Expenditure in Foreign currency Traveling, Exhibition, Technical, Drawing and Design	41.48	48.11
IV)	Capital Equipments	100.74	37.57

19. Previous period figure have been regrouped and rearranged/recast wherever necessary. Figure in brackets related to previous year.
20. Consequent to de-merger of existing company the holder of one share of Rs.5/- each have been issued one share of Rs.4/- each in the existing company i.e. Apt Packaging Limited and 0.10 share of Rs.10/- each in the resulting company i.e. Machhar Infrastructure Limited. Further in the Extra Ordinary General Meeting of the Company held on 30.04.2008, the members have approved the proposal of consolidation of authorized, issued and paid up Equity Share Capital of the company into Rs.10/- per shares against the existing face value of Rs.4/- per shares thereby holder of 2.5 shares of face value of Rs.4/- have been issued 1 share having face value of Rs.10/- per share
21. The figure belongs to Resulting company have not been reflected in segment reporting and in additional information pursuant to provisions of part-II of the schedule VI to the companies Act'1956.
22. The name of the Company has been changed to Apt Packaging Limited as against the earlier name Anil Chemicals and Industries Limited w.e.f. 19/06/2008.
23. The amounts shown in Balance sheet, Profit & Loss account and Notes to the accounts are not strictly comparable with previous year due to demerger of the company and turnover and expenses of resulting company up to 30.09.2008 included in the financial statements.

**AS PER OUR REPORT ANNEXED**

FOR RATHI & BANGAD  
CHARTERED ACCOUNTANTS

DILIP D JAIN  
PROPRIETOR

PLACE : AURANGABAD.  
DATE : 31/05/2009

ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE TIME DIRECTOR

## CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31/03/2009

PARTICULARS	2008-2009 Amount in Rs	2007-2008 Amount in Rs.
<b>A. CASH FROM OPERATING ACTIVITIES</b>		
i) Profit/Loss after Tax & Extra	10,08,59,378	14,15,98,585
ii) Profit on Sale of Assets	(23,049)	--
iii) Depreciation & Impairment	1,91,44,426	2,61,25,037
iv) Interest /Financial Charges	95,48,341	49,11,367
v) Interest /Dividend Received	(7,830)	(4,065)
<b>Total</b>	<b>2,86,61,888</b>	<b>3,10,32,339</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES ADJUSTMENT</b>	<b>12,95,21,266</b>	<b>17,26,32,926</b>
i) Trade & other Receivable	99,02,057	(70,71,315)
ii) Inventories	50,55,940	(21,04,245)
iii) Trade payable	(48,61,737)	(64,69,205)
iv) Cash generated from operations	13,96,17,526	1,5,69,88,162
v) Interest Paid/Financial charges	95,48,341	49,11,367
<b>NET CASH FROM OPERATING ACTIVITIES (TOTAL A)</b>	<b>13,00,69,185</b>	<b>15,20,76,794</b>
<b>(B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
i) Purchase of Fixed Assets	(4,13,93,465)	1,59,67,217
ii) Profit on Sale of Assets	(23,049)	--
iii) Sale of Fixed Assets	(3,12,000)	--
iv) Interest/Dividend Received	(7,830)	(4,065)
<b>NET FLOW FROM INVESTMENT ACTIVITIES (TOTAL B)</b>	<b>4,17,36,344</b>	<b>(1,59,63,152)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
i) Proceeds from long term financing	3,04,30,479	1,10,17,834
ii) Proceeds from short term financing	1,06,37,428	65,63,831
iii) Payment of Long Term borrowing	(2,91,43,634)	(3,10,12,676)
iv) Increase in Deferral Payment	(3,58,56,536)	(1,88,76,602)
v) Waiver of SICOM Interest	(9,54,01,241)	(12,78,02,689)
<b>NET FLOW FINANCIAL ACTIVITIES (TOTAL C)</b>	<b>(11,93,33,503)</b>	<b>(13,40,33,953)</b>
<b>EFFECT OF DEMERGER</b>		
i) Fixed Assets	(7,13,90,825)	
ii) Long Term Liabilities	4,18,01,829	
iii) Current Assets	(3,05,02,859)	
iv) Current Liabilities	41,80,050	
<b>NET FLOW FROM DEMERGER ACTIVITIES (TOTAL D)</b>	<b>(5,59,11,806)</b>	<b>(13,40,33,953)</b>
<b>Closing Balance (A+B+C+D)</b>	<b>(34,39,780)</b>	<b>20,79,689</b>
Cash and Cash equivalents (Opening Balance)	55,36,338	34,56,649
Cash and Cash equivalents (Closing Balance)	20,97,122	55,36,338

## AS PER OUR REPORT ANNEXED

FOR RATHI & BANGAD  
CHARTERED ACCOUNTANTS

DILIP D JAIN  
PROPRIETOR

PLACE : AURANGABAD.  
DATE : 31/05/2009

ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE TIME DIRECTOR

# Apt Packaging Limited

Regd. Office: Gut No 72, Village Pharola, Post Beedkin,  
Tq. Paithan, Aurangabad (MS) - 431105

## FORM OF PROXY

Regd. Folio No. ....

I/We ..... of ..... in the district of ..... being a member/members of Apt Packaging Limited hereby appoint \*Mr./ Mrs./Miss / ..... of ..... in the district of ..... or falling him / he \* Mr./Mrs./Miss ..... of ..... in the district of ..... as my/our proxy to vote for me/us on my/ our behalf at the 29th ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 25th July 2009 at 11.00 a.m.

Signed this ..... day of ..... 2009.

No. of Shares:

(Signature of Member/s)

\*The Member/Members is/are requested to fill in the name of a person selected by him/them as Proxy in the place marked with this asterisk.

### NOTES:

- A. The Proxies form must be deposited at the Registered Office of the Company not less than 48 HOURS before the meeting.
- B. The Proxy should be signed according to the specimen signature/s of the member/s on the company's record.

✂ Cut here .....

# Apt Packaging Limited

Regd. Office: Gut No 72, Village Pharola, Post Beedkin,  
Tq. Paithan, Aurangabad (MS) - 431105

## ATTENDANCE SLIP

### TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence of the 29th Annual General Meeting of Apt Packaging Limited at Registered Office: Gut No 72, Village Pharola, Post Beedkin, Tq. Paithan, Aurangabad (MS) - 431105 on Saturday, 25th July, 2009 at 11.00 a.m.

Full Name of the member of proxy attending the Meeting .....

Regd. Folio No. .... Number of Shares held .....

Signature of Member/Proxy attending the Meeting .....

Please give full name of first holder Mr./Mrs./Miss .....

Note: Members are requested to bring their copy of the Annual Report for the meeting.

