

BOARD OF DIRECTORS

: ARVIND MACHHAR - CHAIRMAN CUM MANAGING DIRECTOR
: SANDEEP MACHHAR - DIRECTOR
: RAVI MACHHAR - DIRECTOR
: NAWNIT MACHHAR - WHOLE TIME DIRECTOR
: GHEVERCHAND M. BOTHERA - DIRECTOR
: BALAPRASAD TAPDIYA - DIRECTOR

AUDITORS

: M/S RATHI & BANGAD
Chartered Accountant, Aurangabad

BANKERS

: PUNJAB NATIONAL BANK

REGISTERED OFFICE

: J-18, MIDC, CHIKALTHANA,
AURANGABAD-,
Website: <http://www.aptpackaging.in>

LOCATION OF PLANT : CO-EXTRUDED TUBES DIVISION

1. Gut No. 72, Village Pharola, Post Beedkin, Tq.-Paithan,
Dist. - Aurangabad – 431105 (MS).
2. Khasra No 529,5th KM Stone, Akabarpur Urd, Laksar-
Hardwar Road, Laksar, Distt:- Hardwar (UTTARAKHAND)

REGISTRAR AND TRANSFER: M/S LINK INTIME INDIA PVT. LIMITED
AGENT 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 31st Annual General Meeting of the members of **Apt Packaging Limited** will be held on Friday, the 30th day of September, 2011 at 11:30 AM at the registered office of the Company situated at J-18, MIDC Area, Chikalthana, Aurangabad - 431006 (MS) to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Balance Sheet of the Company as on 31st March, 2011 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. Balaprasad Tapdiya, who retires by rotation and being eligible to 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 also fix their remuneration.

SPECIAL BUSINESS

4. To consider, and if thought fit to pass with or without modification, the following resolution as special Resolution.
"RESOLVED THAT pursuant to provisions of section 257 of the Companies Act, 1956 and article no 118 of Articles of Association of the Company Mr Nawnit Machhar, who has given the notice signifying his intention to act as a director be and is hereby appointed as a director of the Company with effect from 30th September 2011."
5. To consider and, if thought fit, to pass with or without modification, the following resolution as a **special resolution**.
"RESOLVED THAT pursuant to the provisions of section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, the approval of the member's of Company be and is hereby accorded to the appointment of Mr Nawnit Machhar as a Whole Time Director of the Company for a period of three years effective from 31st August 2011 on the terms and conditions, including remuneration, as set out in the agreement, with liberty to the Board of Directors to alter and vary such terms and conditions, including remuneration subject to the eligibility for appointment within the maximum limit prescribed under Section II of Part II paragraph of Schedule XIII to the Companies Act, 1956, as amended from time to time.
RESOLVED FURTHER THAT the above remuneration will be paid to Mr Nawnit Machhar as a minimum remuneration even if the Company's profits are inadequate or it has no profits in any financial year.
RESOLVED FURTHER THAT Mr Nawnit Macchar shall not be liable for retirement by rotation."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as a **special resolution**.
"RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members' of the Company be and is hereby accorded to the payment of remuneration amounting to Rs 49,467 per month with annual increment of Rs. 10,000 payable to Mr. Nishchint Machhar effective from 16th August 2011 and with liberty to the Board of Directors to alter, amend and vary such terms and conditions."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as a **special resolution**.
"RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members' of the Company be and is hereby accorded to the payment of remuneration amounting to Rs 57,742 per month with annual increment of Rs. 10,000 payable to Mr. Arpit Machhar effective from 1st July 2011 and with liberty to the Board of Directors to alter, amend and vary such terms and conditions."

By order of the board

Arvind Machhar
Chairman cum Managing Director

Place: Aurangabad

Date: 31.08.2011

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 September 26th, 2011 to September 30th, 2011 (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 for 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 needed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO.4 & 5:

Mr Nawnit Machhar has completed his graduation in the field of Commerce and Law. He possesses vast industrial experience of 20 years and serving as director in 10 companies. Mr Nawnit Machhar was appointed as additional director as well as Whole time director of the Company of the Company in the meeting of board of directors held on 31st August 2011. He has notified his consent to act as a whole time director of the Company. The board proposes his appointment as Whole Time Director. His previous occupation was with Machhar Packaging Services Pvt Ltd as executive director. The remuneration committee of the Company in its meeting held on 31/08/2011 has approved the remuneration payable to him. Looking into his vast experience in the packaging industry, your directors propose for appointment as whole time directors on the following remuneration. :

Particulars	Year One	Year Two	Year Three
Salary (PM)	50,000	55,000	60,000
HRA (PM)	5000	5500	6000
LTA (Annual)	One Month Salary	One Month Salary	One Month Salary
Medical Allowance (Annual)	One Month Salary	One Month Salary	One Month Salary
PF Company Contribution (Annual)	9360	9360	9360
Bonus (Annual)	3500	3500	3500
Provision for telephone at residence (PM)	1000	1000	1000
Total PA	7,84,860	8,60,860	9,36,860

Your directors recommend the resolution to pass as special resolution.

Mr. Arvind Machhar, Mr. Ravi Machhar, Mr Nawnit Machhar and Mr. Sandeep Machhar and are interested directors in this resolution.

Further, a copy of statement containing information required to be given under para (B) of part II in section II to Schedule XIII is annexed herewith as Annexure-A.

ITEM NO 6:

Mr. Nishchint Machhar is a graduate in field of engineering. He has completed his post graduation in the management stream from Weather Head School of Management, Case Western Reserve University, USA. He is endowed with very good command on

marketing activities as well as other relevant production activities. He was appointed as Manager of the Company by Board w.e.f. 01.04.2008. Since then, he has contributed to the Company in the best way and performed his job sincerely and effectively. Looking into his contribution and qualification gained, your directors propose the increment in the remuneration. Now he will be paid 49,467 per month with annual increment of Rs. 10,000. As per the provisions of section 314, the approval of the shareholders is required by way of special resolution, hence the resolution.

Mr. Arvind Machhar, Mr. Ravi Machhar, Mr Nawnit Machhar and Mr. Sandeep Machhar and are interested directors in this resolution.

ITEM NO 7:

Mr. Arpit Machhar is a graduate in field of Commerce. He possesses eight years experience in the field of export as well as in domestic marketing. He was re-appointed as Manager of the Company by Board w.e.f. 01.04.2008. Since then, he has contributed to the Company in the best way and performed his job sincerely and effectively. Considering all these factors, your directors propose the increment in the remuneration payable to him. Now he will be paid Rs. 57742 per month with annual increment of Rs. 10,000. As per the provisions of section 314, the approval of the shareholders is required by way of special resolution, hence the resolution.

Mr. Arvind Machhar, Mr. Ravi Machhar, Mr Nawnit Machhar and Mr. Sandeep Machhar and are interested directors in this resolution.

Annexure-1

Following is the information required to be given under part (B) of part II of Schedule XIII

I. GENERAL INFORMATION

1. Nature of Industry: Plastic Packaging Industry
2. Date or expected date of commencement of commercial production: In the year 1997
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institute appearing in the prospectus: Not applicable
4. Financial performance based on given indicators: As per the balance sheet attached
5. Export performance and net foreign exchange collaborations: 526.97 Lacs for FY 2010-11 and 826.70 Lacs for the FY 2009-10
6. Foreign investments or collaborators, if any: Not applicable

II INFORMATION ABOUT THE APPOINTEES – MR NAWNIT MACHHAR

1. Background details: Graduate in Commerce and Law, 20 years experience in running the packaging industry and hold position as director in 10 companies.
2. Past remuneration: 45,000 per months
3. Recognition or awards: NIL
4. Job profile and his suitability: Served in Machhar Packaging Services Private Limited as executive director and has vast industrial experience of 20 years. Looking into his vast experience in successful running the packaging industry, your directors found his suitability for company.
5. Remuneration proposed: As per explanatory statement for resolution no 4 and 5.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.e.t. the country of his origin): Comparable data is not available with company.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: The following are details:

Sr No	Name of director	Shareholding of directors	% of total shareholding
1	Mr. Arvind Machhar	7,63,108	14.50
2	Mr. Ravi Machhar	61,738	1.17
3	Mr. Nawnit Machhar	51,572	0.97
4	Mr. Sandeep Machhar	86,922	1.65

III OTHER INFORMATION

1. Reason of loss or inadequate profits: As reported in the Directors' Report attached herewith under the performance review and operational performance.
2. Steps taken or proposed to be taken for improvements: As reported in the Directors' Report attached herewith under the performance review and operational performance.
3. Expected increase in productivity and profits in measurable terms: The expected increase in turnover and profit before depreciation & tax would be 35% and 6.75% respectively during the year 2011-12 as compared to the financial year 2010-11.

IV DISCLOSURES

1. The shareholders of the company shall be informed of the remuneration package of the managerial person: As per the explanatory statement attached in the notice of this meeting
2. The following disclosures are mentioned in the Board of Director's report under the heading "Corporate Governance", attached to the annual report
 - (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors
 - (ii) Details of fixed component and performance linked incentives along with the performance criteria
 - (iii) Service contracts, notice period, severance fees
 - (iv) Stock Option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable: Not Applicable

DIRECTORS' REPORT

To,
The Members of
Apt Packaging Limited
Dear Shareholders

The Directors are pleased to present Thirty first Annual Report on the performance of the company for the financial year ended on 31st March'2011.

1. FINANCIAL RESULTS

(Rs in Lacs)

PARTICULARS	YEAR ENDED ON 31.03.2011	YEAR ENDED ON 31.03.2010
Sales and other Income	2,071.72	1,996.61
Less: Operating Expenses	1,954.10	1,758.21
Profit before Interest and Depreciation	141.31	238.40
DEDUCTIONS		
Interest	209.15	91.75
Depreciation & Impairment	263.07	313.54
Operational Profit before Tax	(330.91)	(166.91)
Previous Year Income / Expenses	16.11	0.49
Net Profit / (Loss)	(347.01)	(166.42)
Extra ordinary items -Waiver of Interest by Financial Institution	65.20	0.00
Income Tax	0.00	0.00
NET PROFIT FOR THE YEAR	(281.81)	(166.42)

2. PERFORMANCE REVIEW

During the year under review the company has recorded Sales & Other Income of Rs 2,071.72 lacs as compared to the earlier year of Rs1996.61 lacs. The exports of tubes during the year declined against the previous year due to adverse market conditions overseas. During the year new plant at Uttarakhand could not made fully operational due to various reasons because of which operational losses have increased in comparison with the previous year. Increase in raw material cost and interest has further increased the operational cost whereas the price realization has declined due to competition and thereby operational margins have been adversely affected.

3. PROGRESS ON SANCTION SCHEME BY HON'BLE BIFR

The directors of the Company are pleased to inform you that vide order dated 16.06.2011, Hon'ble BIFR has discharged the Company from preview of SICA. Now therefore your Company is not more a sick company. The BIFR has directed that the unimplemented portion of the Sanctioned Scheme will be implemented by all concerned. The company and the promoters have fulfilled all of the obligations envisaged in the Sanctioned Scheme by BIFR. However various reliefs and concession envisaged in the Sanctioned Scheme from other authorities/parties are still awaited which are being pursued by the Company.

4. OPERATIONAL PERFORMANCE

During the year under review 408.82 lacs tubes were dispatched as compared to the previous year dispatches of 383.50 lacs tubes. The new plant of the Company at Uttarakhand is gradually normalizing its dispatches and will become fully operational shortly. The new plant at Uttarakhand is eligible for exemption from payment of Central Excise Duty on sales for ten years and fully / partly exemption from Income Tax for 10 years. With the new plant being fully operational the operational margins will improve in coming year.

5. DIVIDEND:

In view of unavailability of the profits, the Board of Directors expresses its inability to declare any dividend for the year ended 31st March 2011.

6. FIXED DEPOSIT:

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

7. INSURANCE:

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

8. DIRECTOR

Mr. Nawnit Machhar have been appointed as Additional Director of the Company in the Board Meeting dated 31.08.2011. He has vast industrial experience of 20 years and his involvement in the Company will strengthen the operations. Board recommends his appointment as Whole Time Director and remuneration.

Shri. B.H.Tapdiya Director of the Company is retiring by rotation and being eligible to offer himself for re-appointment. The Board recommends his re- appointment.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. AUDITORS' OBSERVATIONS:

Refer Point No.2(f) of the Auditors Report: In respect of debtors, creditors, loans and advances(taken and given), balances with various statutory / fiscal liabilities (Assets & Liabilities) i.e. Excise deposits / balances, VAT(Sales Tax),CST, TDS / TCS, 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 and in the opinion of management the ultimate difference will not be material. Refer to note no.14 of schedule13.

Refer Point No. 3 of the Auditors Report: In respect of contingent liability as mentioned in note number 6, for sub point a, d, e, f, g the adverse effect if any will not be material. For sub point b, the guarantee was given in compliance to the Sanctioned Scheme ordered by BIFR for the de-merger of the Company. Regarding sub point c, the Company had imported some capital goods without payment of duty under EPCG scheme for which the Company has obligations to export the specified materials in next 6 years. Refer to note no.6 of schedule13

Refer Point No.3 of the Auditors Report: In respect of unimplemented portion of BIFR's Sanctioned scheme, the Company is making efforts legally or otherwise to get the scheme implemented. The scheme has attained finality and in the opinion of Directors, the scheme will be implemented fully. Refer to note no.7 of schedule13

Refer Point No.3 of the Auditors Report: In respect of balances etc with Micro, Small and Medium enterprises respectively the Company has posted letters to all the suppliers and the replies are awaited. The Company is in process of identifying the name of the parties for the subject matter. Refer to note no.12 of schedule13.

15. 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.

16. 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.

Your directors proposed the following remuneration payable to Mr. Nawnit Machhar, Whole Time Director w.e.f. 31st August 2011. Further, Mr. Nawnit Machhar, if so desire, may resign the office by giving 3 months notice to the board of directors of the Company.

Particulars	Year One	Year Two	Year Three
Salary (PM)	50,000	55,000	60,000
HRA (PM)	5000	5500	6000
LTA (Annual)	One Month Salary	One Month Salary	One Month Salary
Medical Allowance (Annual)	One Month Salary	One Month Salary	One Month Salary
PF Company Contribution (Annual)	9360	9360	9360
Bonus (Annual)	3500	3500	3500
Provision for telephone at residence (PM)	1000	1000	1000
Total PA	7,84,840	8,60,860	9,36,860

17. CORPORATE SOCIAL RESPONSIBILITY

The Company is making all efforts to improve efficiency on all fronts to sustain competition 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 remain in business.

18. 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.

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

a) **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.

b) **Technology Absorption:** The Company has not installed any new Plant or Machinery with new technology during the year.

c) **Foreign Exchange Earning and Outgo:** Foreign Exchange earning of the Company is Rs. 526.97 lacs for the year under review, whereas the outgo is Rs. 693.03 lacs.

20. ACKNOWLEDGEMENT

The Board place on records their sincere gratitude to the employees of their hard work and would like to compliment those Executives who were involved in starting timely production at Uttarakhand plant for their all out efforts, to Punjab National Bank as statutory Authority for their continual support and to the investors for their trust and confidence on the Management.

BY ORDER OF THE BOARD

PLACE: AURANGABAD

DATE: 31-08-2011

ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011

(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 director, two non executive / promoter's group director, and two non-executive/independent directors, who are acknowledged as leading professionals in their respective fields. The constitution of Board in the year under consideration is as under:

Director	Executive/Non-Executive/ Independent*	No. of other Directorship#	Membership Committees/ Chairmanship
ShriArvind Machhar Chairman Cum Managing Director	Executive	Four	1/0
ShriSandeep Machhar Director	Non-executive**	Six	NIL
Shri Ravi Machhar Director	Non-executive	Nine	NIL
Shri Nawnit Machhar	Executive	Ten	NIL
ShriGheverchandBothara Director	Non-executive Independent	Two	2/2
ShriBalaprasadTapdiya Director	Non-executive Independent	Two	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.

* The Expression 'Independent Director' shall mean a non-executive director of the company director

(a) Who apart from receiving director's remuneration does not have any material pecuniary relationships or transaction with the company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the director;

(b) is not related to promoters or persons occupying management positions at the board level or at one level below the board.

I has not been an executive of the company in the immediate preceding three financial year.

(d) is not a partner or an executive or was not partner or an executive during the preceding three years , of any of the following:

i) the statutory audit firm or the internal audit firm that is associated with the company , and

ii) the legal firm and consulting firm that have a material association with the company.

(e) is not a material suppliers, service provider or customer or a lessor or lessee of the company which may affect the independence of the director; and

(f) is not the substantial shareholder of the company i.e. owing two percent or more of the block of the voting shares;

(g) is not less than 21 years of age

Attendance of Directors at Board Meeting and Annual General Meeting

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

(1) 09th & 10th April 2010 (2) 24th July, 2010 (3) 26th October, 2010 (4) 29th January 2011.

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

Name of Director	Attendance	
	Board Meeting	AGM / EGM
ShriArvind Machhar	4	1
ShriSandeep Machhar	4	1
Shri Ravi Machhar	2	0
Shri G. M. Bothara	4	1
Shri B.H. Tapdiya	4	1
Shri Nawnit Machhar*	-	-

• Mr. Nawnit Machhar was appointed as Additional Director on 31.08.2011 and therefore he could not attend any of the Board Meetings.

3. AUDIT COMMITTEE

During the financial year 2010-11, four meetings were held on the following dates:

(1) 09th April 2010 (2) 24th July 2010 (3) 26th October, 2010 (4) 29th January 2011.

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

Name	Designation	Executive / Non-executive / Independent	Professional	Committee Meetings Attended
Shri G. M. Bothara*	Chairman	Non-executive / Independent	Consultant	Four
Shri B. H. Tapdiya*	Member	Non-executive / Independent	Consultant	Four
Shri Sandeep Machhar	Member	Non-executive	Industrialist	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 10th July, 2010.

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;

5. To make recommendations to the Board in relation to appointment and terms of Statutory Auditors and Internal Auditors
6. To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.

4. REMUNERATION COMMITTEE (Non-Mandatory Committee)

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

Name	Designation	Executive/Non-Executive/Independent
Shri G. M. Bothara	Chairman	Non-executive Independent
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 2010-2011, one meeting was held on 26th October, 2010 which was attended by Shri G.M.Bothara and ShriB.H.Tapdiya as the members of the committee.

Details of remuneration paid/payable to directors for the year ended March 31, 2011 are as follows:

Director	Relation-ship with other directors	Business relation-ship with APL	Loans and advances from APL	Sitting fees* Rs.	Salary and Perquisites Rs.	Commis sion Rs.	Total
Shri Arvind Machhar	Related to Shri Sandeep Machhar	Promoter	NIL	Nil	15,22,000	Nil	15,22,000
Shri Sandeep Machhar	Related to Shri Arvind Machhar	Promoter	Nil	4,000	Nil	Nil	4,000
Shri Ravi Machhar	Related to Shri Arvind Machhar	Promoter	NIL	2,000	NIL	NIL	2,000
Shri G.M. Bothara	None	Professional	Nil	8,000	Nil	Nil	8,000
Shri B.H. Tapdiya	None	Professional	Nil	8,000	Nil	Nil	8,000

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE (Mandatory 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, exchanges, 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, copy of balance sheet 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 2010-2011one meeting was held on 26thOctober, 2010 which was attended by all the members of the committee.

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 Special Resolutions passed
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
Twenty Ninth	25/07/2009	11.00 am	Gut No.72, Village Pharola, Post Beedkin, Aurangabad – 431105 (MS)	NIL
Thirtieth	10/07/2010	11.00 am	J-18, MID Area, Chikalthana Aurangabad	One

1. All the special resolutions indicated above were passed by show of hands as they are ordinary Special Resolution.
2. No Resolution Passed through postal ballot during the year, presently company does not have any transaction/proposal for 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, 2011.
- 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 for re-appointment. He is an Industrialist having vast knowledge & experience of business, industry and finance.

Mr. Nawnit Machhar have been appointed as Additional Director of the Company in the Board Meeting dated 31.08.2011. He has vast industrial experience of 20 years and his involvement in the Company will strengthen the operations.

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 Gavkari 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

: Friday, September 30th, 2011 at 11.30 AM

* Venue : J-18, MIDC, Chikalthana, Aurangabad (MS)

b) FINANCIAL CALENDER

The financial year of the company is April, 2010 to March, 2011.
Financial reporting for

- Quarter ending June 30, 2010	: Last week of July, 2010
- Half year ending September 30, 2010	: Last week of October, 2010
- Quarter ending December 31, 2010	: Last week of January, 2010
- Year ending March 31, 2011	: Last week of April, 2011

ANNUAL GENERAL MEETING

For the year ending March 31, 2011 : September 30th, 2011

c) Date of book closure

: September 26th, 2011 to September 30th, 2011

(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
- Annual Listing fees have been paid to the Stock Exchange for the financial year 2010-2011

f) Scrip Code: The scrip code of the Company is 506979 and ISIN No. of the Company is INE 46E01017 (New ISIN is to be allotted by CDSL for new shares)

f) 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 not done during the year, hence no high & low price of shares is available.

g) 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

h) 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.

i) Distribution of Shareholding as on 31st March, 2011 is as given below:

Slab of Shareholding	Shareholders	% to total	Shares Amount	% to total
Up to 500	9988	97.6249	7157580	13.5986
501 to 1000	100	0.9774	685820	1.3030
1001 to 2000	42	0.4105	639900	1.2157
2001 to 3000	16	0.1564	413360	0.5853
3001 to 4000	10	0.0977	350860	0.6666
4001 to 5000	11	0.1075	506680	0.9626
5001 to 10000	16	0.1564	1212580	2.3038
10001 and above	48	0.4692	41667890	79.1643
TOTAL	10231	100.00	52634670	100.00

j) 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 d-mat format. As on 31/03/2011, 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.

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

l) Plant Locations: The Companies plant for co-extruded tube is located at Gut No. 72, Village Pharola, Tq. – Paithan, Dist. – Aurangabad (MS) – 431105 & Khasra No 529, 5th KM stone, AkabarpurUrd, Laksar-Hardwar Road, Laksar, Distt – Hardwar, (UTTARAKHAND)

m) 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
Website :www.aptpackaging.com

n) Exclusive e-mail ID for redressal of investors complaints

Email ID: 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. The trends are now changing and the cosmetic industry is shifting from laminated tube packaging to co-extruded seamless tube packaging. There is increasing demand of the product in the overseas/foreign markets. The demand in domestic/national as well as in export/International markets is expected to increase. The increased buying capacity of the middle income group in India has also increased the demand of the product.

OPPORTUNITIES AND THREATS

The industry scenario has thrown open lot of opportunities for the manufacturers of packaging products. Any product, with attractive, durable and aesthetic packaging will survive the fierce competition witnessed in the herbal/pharma/skin care products. As such, the packaging industry has an important role to play in boosting these products.

The Extruded plastic tubes has been substitute for the aluminum collapsible tube and laminated collapsible tubes presently being used for packaging toothpaste, cosmetics etc. The company proposes to manufacture tubes in standard sizes currently being used by end users. These sizes correspond to pack sizes of toothpaste and cosmetics and pharmaceuticals, currently all over India.

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. 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 completed the installation of new plant at HARDWAR and also plans for expansion and de-bottlenecking plans at the Aurangabad unit to increase the level of production.

OUTLOOK

Initially the base of the Indian cosmetic industry was low but yet it was growing with the average annual growth of 12% since 1998 and now the base is reach to a reasonable level.

Foregoing above and due to our marketing efforts we are presently having major market share of seamless plastic tubes in the domestic market.

Further our participation in the international exhibition has helped us in improving our exports year after year.

At present on average basis 65% of our production goes into the domestic market and 35% of it goes to the export market.

A The SWOT analysis of the market show encouraging trends. Huge potential is available in the Indian as well export market for our products. The market is unlimited for our products and we are poised to penetrate the market with the enhanced capacities.

RISK AND CONCERN

Growing market due to change in consumer behavior

Attraction of quality packaging encouraging packaging industry

Opportunity to penetrate in North India market

Unhealthy Competition from unauthorized sector

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 LTD

1. Name of the Subsidiary Company	: Navneet Machines Manuf. Co. Limited.
2. Date from which it become subsidiary	: 16 th May, 1985
3. Financial year of the subsidiary company ended	: 31 st March, 2011
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/-
I 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 31/03/2011	: 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 31/03/2011	: 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 31.03.2011	: Nil
b) For its previous Financial year	: Nil

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 2011.

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 and remuneration committee constitute of two independent directors*, 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
[Firm Reg. No. 108702W]

Date: 31 / 08 / 2011
Place: Aurangabad

Dilip D. Jain
Proprietor
M. No. 044301

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 2011, 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) 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 2011 from being appointed as a Director under section 274(1) (g) of the Companies Act, 1956.
 - f) *The outstanding balances of debtors, creditors, loans and advances(taken and given), balances with various statutory / fiscal liabilities (Assets & Liabilities) i.e. Excise deposits / balances, VAT(Sales Tax),CST, TDS / TCS are subject to confirmations, reconciliation's and consequent adjustment, if any. (Refer Note No. 14 in schedule13.)*
- 3) In our opinion *Subject to what is stated in point no. f of paragraph 2 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. 6 regarding contingent liability, Note no.7 regarding unimplemented portion of BIFR's Sanctioned scheme and Note 12 regarding balances etc with Micro, Small and Medium enterprises respectively (for details refer said notes in Schedule 13)* 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, 2011 and
 - b) In the case of Profit and Loss Account, of the "**Loss**" 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
[Firm Reg. No. 108702W]

Dilip D. Jain
Proprietor
M. No. 044301

Date: 31 / 08 / 2011
Place: Aurangabad

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 loans from two directors, seven Shareholders, Four relatives of the Director, two promoters Group Company and Resulting Company covered in the register maintained under Section 301 of the Companies Act, 1956 to meet the short fall of Sanctioned Scheme. The maximum amount involved during the year is Rs. 792.72 Lacs including opening balance of Rs. 491.72 and the year end balance of loans Rs.474.04 Lacs.
 - b. According to the information and explanation given to us, out of the above loan amount of Rs. 360.45 Lacs is interest free and balance Rs.432.27 is interest bearing. Out of interest free loan amount Rs. 360.45 Lacs, Rs 250.00 Lacs was converted into equity shares during the year. Hence with respect to amount of Rs. 250.00 Lacs, reasonable steps for the repayment do not arise. For interest bearing unsecured loans the interest is provided. The terms and conditions of these loans are not prejudicial to the interests of the company. The company is regular in repaying the loan amount and interest whenever applicable and as stipulated.
 - c. The Company had given unsecured loans of Rs. 1.11 Lacs to its wholly owned subsidiary. 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) a. 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.30.25 lacs.

The statements of Arrears of Statutory dues outstanding for more than six months are as follows:

TYPE OF TAXES	AMOUNT IN LACS
Sales Tax	16.31
Property Tax	13.85
TDS	00.09

- b. As at 31st March 2011 according to the records of the company, the following are the particulars of disputed dues on Account on Sales Tax have not been deposited:

Name of Statute	Disputed Liability Rs. In Lacs	Forum where dispute is pending
Sales Tax Govt. of Maharashtra	1.52	Sales Tax Authority, Aurangabad.

- 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(i.e.SICA) and also sanctioned the scheme on 15/11/2007. The Company has suffered cash loss in current financial year but not in immediately preceding financial year. However the company has been discharged from the pervue of SICA by the Hon'ble BIFR vide its order dated 16-06-2011*
- 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 incase if the resulting company fails to pay or shortfall to pay the same . As this is stipulated as per the Sanctioned Scheme ordered by the BIFR, the same is not treated as prejudicial to the interest of the company. According to information and explanations given to us by the management there is outstanding balance of Rs. 399.96 lacs as on 31.03.2011 on account of Sales tax deferral.*
- 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 except permanent working capital.
- 18) *During the year, the company has made preferential allotment of 25,00,000 equity shares of Rs.10/- each for cash at par to the promoters and promoter group company with lock-in-period of 3 years in accordance with the Sanctioned Scheme by Hon'ble BIFR. As this is stipulated as per the Sanctioned Scheme ordered by the BIFR, the same is not treated as prejudicial to the interest of 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.

For Rathi & Bangad
Chartered Accountants
[Firm Reg. No. 108702W]

Date: 31 / 08 / 2011
Place: Aurangabad

Dilip D. Jain
Proprietor
M. No. 044301

APT PACKAGING LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

	SCHEDULE	AS AT 31.03.11 RUPEES	AS AT 31.03.10 RUPEES
SOURCES OF FUNDS:			
SHARE HOLDERS FUNDS			
Capital	1	58,040,440	33,040,440
Reserve & Surplus	2	108,570,192	108,570,192
LOAN FUNDS			
Secured Loans	3	176,199,224	115,985,294
Deferred Payments	4	97,803,400	140,280,155
Unsecured Loans	5	56,352,316	49,171,945
		496,965,572	447,048,026
APPLICATION OF FUNDS:			
FIXED ASSETS			
	6		
Gross block		581,325,851	554,031,930
Less: Depreciation		255,399,276	229,091,896
Less: Impairment		19,604,996	19,604,996
Net Block		306,321,579	305,335,038
Add: Capital Work in Progress		18,237,615	15,429,546
	(TOTAL : I)	324,559,194	320,764,584
INVESTMENTS	7	408,722	245,923
CURRENT ASSETS, LOANS & ADVANCES			
	8		
Inventories		34,724,826	26,467,340
Sundry Debtors (Un-secured)		31,759,927	31,624,302
Cash And Bank Balance		3,107,908	3,017,338
Other Current Assets		9,898,842	10,396,143
Loans and advances		11,919,984	11,860,644
	(TOTAL : II)	91,411,487	83,365,767
Less: Current Liabilities & Provisions	9		
Liabilities		33,746,341	44,897,404
Provisions		2,636,020	1,218,557
	(TOTAL : III)	36,382,361	46,115,961
Net Current Assets	(TOTAL : II-III)	55,029,127	37,249,806
Balance in Profit & Loss Account		(116,968,529)	(88,787,713)
	TOTAL :	496,965,572	447,048,026
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
FIRM REGN. NO. 108702W
CHARTERED ACCOUNTANTS

ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR
DIRECTOR

DILIP JAIN
PROPRIETOR
M.NO. 044301

DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)

PLACE : AURANGABAD

DATE: 31-08-2011

APT PACKAGING LIMITED
PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31/03/2011

	SCHEDULE	Current Year RUPEES	Previous Year RUPEES
A. INCOME			
Sales (Refer Note No. 3 & 4 in SCH 13)		203,214,662	194,902,306
Other Income	10	3,957,064	4,758,702
Increase/(Decrease) in Inventory		2,369,902	(147,384)
	TOTAL :	209,541,627	199,513,624
B. EXPENDITURE			
Raw Material Consumed		76,204,671	56,452,731
Purchases & Expenses (Garments)		10,831,049	9,221,975
Transportation Exp.		8,577,145	8,650,254
Other Expenses	11	120,711,882	110,524,458
Depreciation		26,307,380	17,946,094
Impairment of Assets		-	13,409,000
	TOTAL :	242,632,128	216,204,512
C. NET PROFIT/(LOSS) BEFORE TAX			
		(33,090,501)	(16,690,888)
Add / Less : Expenses related to earlier year		(2,197,868)	(137,373)
Add / Less : Income relating to earlier year		587,204	185,903
ADD : Extra Ordinary items (Waiver of Creditors Balance) - Refer Note No.5 of SCH 13		6,520,348	-
D. NET PROFIT/(LOSS)			
		(28,180,816)	(16,642,358)
Less: Provisoin for Tax		-	-
Profit After Tax transferred to P&L appropriation account	12	(28,180,816)	(16,642,358)
F.1. Basic and diluted earning per share (in Rs.) considering extra ordinary items		(8.29)	(6.02)
F.2. Basic and diluted earning per share (in Rs.) without considering extra ordinary items		(6.73)	(6.02)
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
FIRM REGN. NO. 108702W
CHARTERED ACCOUNTANTS

DILIP JAIN
PROPRIETOR
M.NO. 044301

PLACE : AURANGABAD
DATE: 31-08-2011

ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR
DIRECTOR

DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT			
SCHEDULE NO. 1		AS AT 31.03.11 RUPEES	AS AT 31.03.10 RUPEES
SHARE CAPITAL			
AUTHORISED:			
1,00,00,000 Equity Share of Rs.10 each		100,000,000	100,000,000
ISSUED CAPITAL :			
60,36,417 (35,36,417) Equity shares of Rs.10/- each		60,364,170	35,364,170
PAID UP CAPITAL :			
* 52,63,467 (27,63,467) Equity Shares of Rs.10/- each fully paid up. 1,616 shares allotted as fully paid up in consideration other than cash and 2,680 shares are pending for exchange of Gimar Holding Ltd.		52,634,670	27,634,670
Forfeited Shares		5,405,770	5,405,770
	TOTAL	58,040,440	33,040,440
*Out of which 25,00,000 paid up shares issued during the year to promoters are not transferrable upto 25.10.2013			
SCHEDULE NO.2			
RESERVE AND SURPLUS			
1) CAPITAL RESERVE			
Capital Incentives (Subsidy)	5322873		
Profit on Reissue of forfeited shares	335500	5,658,373	5,658,373
Capital Reserve (Refer Note No.13 of SCH.13)		54,821,914	54,821,914
2) SECURITIES PREMIUM ACCOUNT			
		48,089,905	48,089,905
	TOTAL	108,570,192	108,570,192
SCHEDULE NO.3			
SECURED LOANS			
1. TERM LOANS FROM BANKS:			
a) Punjab National Bank Term Loan - I (Due within one year Rs.81.66 lacs)		198,038,11	26,637,731
b) Punjab National Bank Term Loan - II (Due within one year Rs.89.21 lacs)		16,359,833	8,549,280
c) Punjab National Bank Term Loan - III (Due within one year Rs.73.13 lacs)		30,719,526	18,086,565
d) Punjab National Bank Term Loan - IV (Due within one year Rs. 27 Lacs)		15,074,907	-
e) Punjab National Bank Term Loan - V (Due within one year Rs. 17.91 Lacs)		5,610,960	-
f) HDFC Bank Ltd. "Vehicle Loan" (Due within one year Rs.3.56 lacs)		994,893	838,121
g) Punjab National Bank. "Vehicle Loan" (Due within one year Rs.1.33 lacs)		315,228	-
h) State Bank of India "Vehicle Loan" (Due within one year Rs.5.99 lacs)		3,122,242	-
2. WORKING CAPITAL LOANS FROM BANKS:			
Punjab National Bank		84,197,823	61,873,597
	TOTAL	176,199,224	115,985,294
NOTES:			
1). Working Capital loans of Rs.841.98 Lacs (Rs.618.74 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 collateral charge on all fixed assets situated at Plot No.J-18 Chikalhana, Gut No.72 Pharola, Survey No. 58 at Nandrabad.			
2). Term Loans of Rs.875.69 Lacs (Rs.532.73 Lacs) due to Punjab National Bank are secured by way of Mortgage of immovable properties situated at Plot No.J-18 Chikalhana, Gut No.72 Pharola, Survey No.58 at Nandrabad and Khasra No.529 Akbarpur Urd, Laksar, Hardwar.			
3). Vehicle car loans of Rs.44.32 lacs (Rs.8.38 Lacs) are secured against the vehicles acquired out of the said loans and which includes Rs. 31.22 Lacs from SBI and Rs. 4.27 Lacs from HDFC Bank are for the vehicles in the name of one of the Director.			
4). Term Loans/Working Capital Loans are guaranteed by Chairman cum Managing Director and one Director.			

SCHEDULE NO. 4		AS AT 31.03.11 RUPEES	AS AT 31.03.10 RUPEES
DEFERRED PAYMENTS			
1. Sales Tax Deferrment:			
Co-Ex Tube, Pharola (MS) (Due within one year Rs.36.04 Lacs)		56,488,711	54,627,410
2. VBC Industries Ltd.			
3. Deferred Payment to Machine Supplier (Due within one year Rs.123.89 Lacs) Deferred payment for New M/c payable in 2 years		12,389,118	18,117,754
4. Deferred Payment to Machine Supplier (Due within one year Rs. 124.83 Lacs) - Deferred payment for New M/c payable in 2 years secured by LC of Bank		12,482,687	24,050,267
5. Deferred Payment to Machine Supplier (Due within one year Rs.164.42 Lacs) - Deferred payment for New M/c payable in 2 years secured by Hyp. of M/c		16,442,885	27,158,376
TOTAL		97,803,400	140,280,155
SCHEDULE NO.5			
UNSECURED LOANS			
Unsecured Loans From:			
i) Directors		21,273,156	8,337,483
ii) Promoters (Interest free)		10,891,000	24,776,000
iii) Inter Corporate Deposit		9,101,946	-
iv) Inter Corporate Deposit from Promoters group company		15,086,214	16,058,462
TOTAL		56,352,316	49,171,945

**SCHEDULE NO. 6
FIXED ASSETS**

STATEMENT OF DEPRECIATION FOR THE PERIOD 01.04.2010 TO 31.03.2011

PARTICULARS	GROSS - BLOCK				DEPRECIATION				IMPERIMENT Reserve Cl. Bal	NET BLOCK AS ON	NET BLOCK AS ON
	AS ON	ADDITIONS	DEDUCTIONS	AS ON	AS ON	FOR THE YEAR	Addition/ (Deletion)	UP TO			
	01/04/10			31/03/11	01/04/10	31/03/11	PROV.	31/03/11			
LEASE HOLD LAND	85509	0	0	85509	15885	748	0	16633	0	68876	69624
FREEHOLD LAND	13078522	0	0	13078522	0		0	0	0	13078522	13078522
BUILDING	61224100	6258606	0	67482705	20252894	2180588	0	22433482	0	45049223	40971206
PLANT & MACHINERY	467157544	15341730	563300	481935975	201040774	23269921	513	224310695	19524726	238100554	246592045
FURNITURE & FIXTURE	4753075	687717	0	5440792	3270274	151712	0	3421986	3321	2015485	1479480
OFFICE EQUIPMENTS	2856655	72530	0	2929185	1868635	90401	0	1959036	70702	899446	917318
VEHICLES	2238699	5272809	0	7511508	654977	431955	0	1086932	6247	6418329	1577475
COMPUTERS	2637826	223830	0	2861655	1988458	182055	0	2170513	0	691143	578492
TOTAL	554031930	27857221	563300	581325851	229091896	26307380	513	255399276	19604996	306321579	305264162
CAPITAL WORK IN PROGRESS	15429546	2808069		18237615				0		18237615	15429546
GRAND TOTAL	569461476	30665290	563300	599563467	229091896	26307380	513	255399276	19604996	324559194	320693708
PREVIOUS YEAR	406001262	163460214	0	569461477	211145802	17946094	0	229091896	19604996	320693708	
NOTES	<ol style="list-style-type: none"> 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. 3. Vehicles includes two vehicles having original value of Rs. 47.23 Lacs held in the name of one of the Director. 										

SCHEDULE NO.7			
INVESTMENT			
SHARES AND DEBENTURES			
(As verified by the Management)			
I. UNQUOTED AT COST			
a. In Subsidiary Company			
Navneet Mach. Mfg. Co. Ltd.	9980	99,800	99,800
b. Devgiri Nagri Shahkari Bank Ltd.	1050	10,555	10,555
	TOTAL (I)	110,355	110,355
II. QUOTED-(FULLY PAID,AT COST)			
U.T.I. Master Shares	846	1,644	1,644
U.T.I. Master Gain	300	3,000	3,000
Dhar Cements Limited	183	5,930	5,930
Titan Industries Limited	650	5,830	5,830
Nirup Synchronome Limited	5000	229,500	229,500
Maharashtra Explosives Limited	3550	107,565	107,565
Astra Zeneca Pharma India Limited	100	2,512	2,512
Sanchay Finvest Limited	5000	75,000	75,000
LESS : Provision for Quoted Investments		(132,614)	(295,413)
	TOTAL (II)	298,367	135,568
	TOTAL (I+II)	408,722	245,923
COST OF QUOTED INVESTMENTS		298,367	135,568
MARKET VALUE OF QUOTED INVESTMENTS		298,367	236,910
SCHEDULE NO. 8		AS AT 31.03.11 RUPEES	AS AT 31.03.10 RUPEES
CURRENT ASSETS, LOANS AND ADVANCES			
A. CURRENT ASSETS:			
I. INVENTORIES (Valued at Lower of Cost and net realizable value except stated otherwise.			
(As certified by the Management)			
Raw Material			
Indigenous		11,681,530	11,215,459
Imported		7,852,101	2,485,476
Finished goods		6,161,291	3,791,389
Semi finish Goods & Work in Progress at cost		1,999,868	741,181
Packing Material at cost		515,263	631,053
Stores and Spares at cost		6,514,772	7,602,782
	TOTAL	34,724,826	26,467,340
II. SUNDRY DEBTORS CONSIDERED GOOD			
Exceeding Six Months (Un-Secured)		228,290	2,971,616
Less: Provision for doubtful debts	-		(2,326,225)
Others (Un-Secured)		31,531,637	30,978,911
	TOTAL	31,759,927	31,624,302
III. CASH AND BANK BALANCE			
Cash In Hand		260,972	42,804
Balance with scheduled Banks			
In Current Accounts		186,055	536,447
In Time Deposit Accounts		2,660,881	2,438,087
	TOTAL	3,107,908	3,017,338
IV. OTHER CURRENT ASSETS			
Pre-Paid expenses		539,656	406,086
TDS Receivables (Refer Note no.14 In SCH 13)		420,042	1,036,883
VAT Receivables		4,316,133	2,822,874
RG-23-A Un-utilised Balance		427,487	1,830,825
RG-23-C Un-utilised Balance		869,808	0
Deposits		3,325,717	4,299,475
	TOTAL	9,898,842	10,396,143
B. LOANS AND ADVANCES			
(Unsecured considered good except stated otherwise)			
Loan to subsidiary		110,706	90,706
Inter Corporate Deposit to Resulting Company		(154,276)	113,540
Advance to Suppliers for Capital goods		7,220,764	3,818,540
Advance to Suppliers for Raw Material & Consumables		4,364,524	7,426,741
Advances recoverable in cash or in kind or for value to be received		378,266	411,116
	TOTAL	11,919,984	11,860,644
		91,411,487	83,365,767
SCHEDULE NO. 9			
CURRENT LIABILITIES AND PROVISIONS			
A. CURRENT LIABILITIES			

Sundry creditors		20,808,377	23,463,552
Int. accrued but not due		9,728	-
Deposits		63,500	63,500
Advance from Customers		1,417,071	10,695,113
Other Liabilities		11,447,664	10,675,239
	TOTAL	33,746,341	44,897,404
B. PROVISIONS			
Provision for Gratuity		2,636,020	1,218,556
	TOTAL	2,636,020	1,218,556
		36,382,361	46,115,960
SCHEDULE NO.10			
		Current Year	Previous Year
		RUPEES	RUPEES
OTHER INCOME			
1. Sale of Scrap (TCS Rs.15,817/-)		1,478,855	1,361,500
2. Interest Received (TDS Rs.18,362/-)		221,195	56,400
3. Dividend on shares		10,252	9,451
4. Export Incentives		1,332,736	1,557,358
5. Credit balances Written back		13,691	46,393
6. Foreign Exchange variations		360,334	1,013,688
7. Other Receipts		407,201	16,497
8. Rent Receipts		132,800	262,680
	TOTAL	3,957,064	4,758,702
SCHEDULE NO.11			
OTHER EXPENSES			
Excise Duty		7,775,884	8,206,779
Sales Tax		1,896,373	2,832,411
Excise Duty for Closing Stock Provision		26,636	38,714
Stores and Spares Consumed		9,227,245	9,874,547
Packing Material Consumed		5,611,691	4,789,124
Water Charges		25,750	14,640
Wages Contract		7,471,709	4,627,018
Power, Fuel etc.		12,004,398	9,283,581
Job work Charges		580,936	2,657,026
Repairs & Maintenance			
Machinery	1247108		
Building	347569		
Others	604019	2,198,696	2,909,370
Employee Cost			
Salary, wages etc.	25643085		
PF Contribution	1001753		
Employee welfare	606977	27,427,675	20,222,836
Rates & Taxes		111,847	217,440
Insurance		727,818	757,947
Telex, Telephone & Postage		1,917,745	1,611,095
Directors Remuneration (Refer Note No. 8 in SCH 13)		1,522,359	1,047,146
Audit Fees	170000		
Others	30000		
Out of Pocket Expenses	3295	203,295	157,633
Foreign Traveling Expenses		3,010,359	2,294,129
Travelling Expenses		2,161,973	3,098,467
Legal and Professional Expenses		1,863,324	1,643,244
Sales Rebate & Discount		-	63,083
Exhibition & Marketing Expenses		1,341,448	2,695,687
Debit Bal. Written off		1,862	199
Provision for bad & doubtful debts		-	11,142,549
Miscellaneous Exp.		11,390,197	10,505,750
Interest (Working Capital)		9,419,261	5,901,944
Interest (Term Loan)		9,023,286	2,681,072
Interest to others		2,472,033	592,427
Donation		251,000	-
Building Rent		628,500	658,600
	TOTAL	120,711,882	110,524,458
SCHEDULE NO.12			
		Current Year	Previous Year
		RUPEES	RUPEES
PROFIT AND LOSS APPROPRIATION ACCOUNT			
Balance B/F from last year		(88,787,713)	(72,145,355)
ADD: Profit for the year		(28,180,816)	(16,642,358)
TOTAL Profit/(loss) carried to Balance Sheet		(116,968,529)	(88,787,713)

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 (vi) 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 realizable 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 in SCH 13)**
- i. Sales are stated and recognized on dispatches at Gross value i.e. inclusive of all taxes and freight charged to customers.
 - ii. Gross sales includes inter unit sale of finished and semi-finished goods. Inter unit transfers of raw materials, consumables, stores and spares are transferred at cost and not included in sales.
 - iii. Garments (Inclusive of Transportation thereon) accounted on dispatch to customer basis on gross value and grouped under sales
 - 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. 15 in SCH 13):**
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. 11 in SCH 13)**

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) Garments
Customer base	Domestic market/ overseas market
Geographical Area of Operation	Domestic market/ overseas market
Geographical area of assets location	Maharashtra, Uttarakhand

A. Primary Segment: Business segment

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

Rupees in Lacs				
Sr NO	Particulars	Garments Division	Co-extruded Tube Division	Total
	Revenue			
A	Sales	128.62	1,903.53	2,032.15
B	Profit / Loss Before Dep. and Interest	8.46	247.16	255.61
C	Interest Expenses	--	209.15	209.15
D	Depreciation & Impairment	--	263.07	263.07
E	Extra Ordinary Items	--	65.20	65.20
F	Net Profit/Loss	8.46	(290.26)	(281.81)
	Other Information			
G	Segmental Assets	--	5,995.63	5,995.63
H	Less Depreciation & Impairment	--	2,750.04	2,750.04
I	Net Assets	--	3,245.59	3,245.59
J	Segmental Liabilities	6.73	357.10	363.82

B. Secondary Segment: Geographic Segment

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

	PARTICULARS	Garments	Co-Ex Tube	TOTAL
A	DOMESTIC	--	1,433.41	1,433.41
B	EXPORT	--	470.12	470.12
C	GARMENTS	128.62	--	128.62
	TOTAL	128.62	1,903.53	2,032.15

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.

2. Related Party Disclosure:
Amount in Lacs

Sr. No.	Name of the Party	Relationship	Nature	Amount (C.Y)	Amount (P.Y)
01.	Arvind Machhar	Chairman Cum Managing Director	Remuneration	15.22	12.11
02.	Sandeep Machhar	Whole Time Director	Remuneration	--	6.90
03.	Arpit Machhar	Son of CMD	Salary	3.68	3.68
04.	Nishant Machhar	Son of CMD	Salary	--	0.76
05.	Arvind Machhar	Chairman Cum Managing Director	U/L – With Interest	153.93	46.40 31.97
06.	Sandeep Machhar	Director	U/L – With Interest	58.80	5.00
07.	Arpit Machhar	Son of CMD	Interest Free U/L Taken	9.10	11.30
08.	Prabha Machhar	Wife of CMD	Interest Free U/L Taken	35.40	36.40
09.	Prema Machhar	Wife of Director	Interest Free U/L Taken	2.25	33.25
10.	Kiran Machhar	Wife of WTD's Brother	Interest Free U/L Taken	19.00	37.00
11.	Sunita Machhar	Wife of WTD's Brother	Interest Free U/L Taken	--	35.41
12.	Dimpi Machhar	Wife of Director	Interest Free U/L Taken	6.16	37.40
13.	Parv Machhar	Son of Director	Interest Free U/L Taken	--	5.00
14.	Shittal Machhar	Wife of Directors Brother	Interest Free U/L Taken	27.00	37.00
15.	Race Course Capital Market Limited	Promoters Group Company	U/L – With Interest	110.05	59.75 100.83
16.	Utsav Logistice Private Limited	Promoters Group Company	U/L - With Interest	40.82	--
17.	Navneet Machines Manufacturing Co. Pvt. Ltd.	Subsidiary Company	Interest free U/L Given	1.11	0.76
18.	Khandelwal Jain & Co.	Related Concern of Non Executive Independent Director	Payment of Professional Fees	0.25	0.22
19.	Arvind Machhar	Chairman Cum Managing Director	Interest on U/L Loan	5.80	1.89
20.	Sandeep Machhar	Director	Interest on U/L Taken	1.45	--
21.	Utsav Logistice Private Limited	Promoters Group Company	Interest on U/L Taken	0.91	--
22.	Race Course Capital Market Limited	Promoters Group Company	Interest on U/L Taken	9.03	2.87

- 3) Sales include Garments (inclusive of transportation) Rs.128.62 Lacs (Rs.171.23 Lacs.).
- 4) Sales are stated at gross value inclusive of taxes and Freight. Sales includes inter unit transfer of finished / semi-finished goods amounting to Rs. 78.83 Lacs (NIL).
- 5) As per the Sanctioned Scheme ordered by Hon'ble BIFR, during the year the Company is eligible for waiver of Rs. 65.20 Lacs by way of remission of dues from one of the unsecured creditor of the Company. The same is shown in the profit and loss account as extra ordinary item.
- 6) **Contingent Liabilities:**
 - a. Claims not acknowledged as debts are on account of a suit 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. The BIFR have ordered for repayment subject to withdrawal of suit.
 - b. Guarantee given by the Company for sales tax deferment dues of the resulting Company Machhar Industries Limited as per the sanctioned scheme ordered by BIFR RS. 399.36 Lacs (Rs. 399.36 Lacs).
 - c. Bonds executed by the company in favour of Commissioner, Central Excise and Customs, Government of India for import of capital goods under the Export Promotion Capital Goods Scheme of the Government of India for import of capital goods Rs. 609.84 Lacs (Rs. 572.28 Lacs), for export obligations to that extent to be completed.
 - d. In respect of demand raised by Sales Tax authority, Aurangabad for Rs.1.52 lacs for the FY 2004-2005 on assessment for which the company have made appropriate representation for withdrawal of the demand to the department.
 - e. In respect of notices issued by Sales Tax Authority, Hardwar w.r.t. various compliances for Rs. 1.61 Lacs
 - f. 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.
 - g. Estimated amount of contract remaining to be executed net of advances on capital account and not provided for Rs.61.34 Lacs (Rs.74.62 Lacs).
- 7) Hon'ble BIFR while discharging the Company from SICA vide order dated 16.06.2011 has ordered to implement the unimplemented portion of the Sanctioned Scheme as yet by all concerned. The unimplemented portion of the Sanctioned Scheme is as under:

	Rs in Lacs	
	2010-2011	2009-2010
Recovery of Special Capital Incentives and interest thereon by Government of Maharashtra	167.81	136.43
Past and future interest on the sales tax deferral dues of the resulting Company Machhar Industries Limited as mentioned in 6 b above	1553.50	1066.4

8. 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	11.46	10.47	---	--	11.46	10.47
ii. Perquisites	3.67	1.55	---	0.36	2.00	1.91
iii. Leave Encashment		--	---	0.93		0.93
iv. Contribution to P.F.	0.09	0.09	---	--	0.09	0.09
v. Gratuity	---	--	---	5.61	---	5.61
TOTAL	15.22	12.11	---	6.90	13.55	19.01

*The approval of central government is subjective, needs some clarification. The management of the Company is pursuing the matter and clarification is awaited. In view of this the remuneration provided as per schedule XIII of the Companies Act 1956 on the basis of effective capital. The calculation of effective capital on the basis of audited financial statement as on 31.03.2010 is as under:

- | | |
|--------------------------------|--------------|
| a) Share Capital | 330.40 |
| b) Securities Premium Account | 480.90 |
| c) Reserve and Surplus | 604.80 |
| d) Long Term Loans from Banks | 541.11 |
| e) Accumulated Losses | (887.88) |
| f) Investments | (2.46) |
| Total Effective Capital | 1,067 |
9. Certain statutory requirements and records are in the process of their compilation / up-dation.
10. During the year manufacturing activities at the plants of the company situated at Chikalhana Aurangabad and Nandrabad Dist. Aurangabad were remained suspended. However, depreciation of all above divisions is charged amounting to Rs.8.07 Lac (Rs. 7.93 Lacs)
11. **Deferred Income Taxes:**
- The company is having carried forward losses amounting to Rs.1,169.69 Lacs (Rs.887.88 Lac) as per books of accounts and also as per the Income tax 1961, which is equivalent or more than book loss.
 - 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.
12. 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.
13. Capital reserve represents the amount of principal waiver by the bank and financial institutions.
14. The outstanding balances of Debtors, Creditors and Loans & Advances (taken and given), balances with various statutory / fiscal authorities (assets & Liabilities) i.e. excise deposits / balances, VAT / Sales Tax dues, TDS / TCS are subject to confirmation, reconciliation and consequent adjustments, if any. The difference as may be noticed on reconciliation will be duly accounted for on completion thereof. In the opinion of the Management the ultimate difference will not be material.
15. Prior-period expenditure amounting to Rs. 21.98 Lacs (Rs. 1.37 Lac) debited during the year and Rs. 5.44 Lacs (Rs. 1.86 Lac) income credited during the year. The Details are as under.

Sr. No.	Particulars	Expenses		Income	
		Current Year	Previous Year	Current Year	Previous Year
01.	Interest & Bank Charges	0.06	0.47	0.91	0.48
02.	Salary	0.62	0.90	0.53	0.47
03.	Professional Fess	1.09	---	0.24	--
04.	Exhibition Expenses	17.58	---	0.23	--
05.	Others	1.09	---	0.89	0.01
06.	Purchase, Repair	1.11		1.09	0.90
07.	Electricity Expenses	0.43	--		
08.	Travelling Expenses	---	--	1.98	--
	TOTAL	21.98	1.37	5.87	1.86

16. Earning Per Share:

The basic and diluted EPS is calculated as under:

Particulars	Current Period	Previous Period
Profit/(loss) attributable to Equity Share Holders	2,81,80,816	1,66,42,358
Weighted average number of Equity Shares of Rs.10 Each	4188124	2763467
Earning per share (considering extra ordinary items)	(6.73)	(6.02)
Earning per share (without considering extra ordinary items)	(8.29)	(6.02)

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

	CHIKALTHANA	NANDRABAD	PHAROLA	LAKSAR
	Ammonium Nitrate	Emulsion matrix and pre-emulsion matrix	Co-extruded tubes	Co-extruded tubes
	31.03.2011	31.03.2011	31.03.2011	31.03.2011
	(31.03.2010)	(31.03.2010)	(31.03.2010)	(31.03.2010)
	Qty. in MT	Qty. in MT	Qty. in Lacs	Qty. in Lacs
Licensed Capacity	N/A	5000.00	760.00	800.00
	(N/A)	(5000.00)	(760.00)	Nil
Installed Capacity	13000.00	5000.00	740.00	800.00
	(13000.00)	(5000.00)	(740.00)	Nil
Production	NIL	NIL	287.78	122.61
	(NIL)	(NIL)	(382.64)	0.86
Sales	NIL	NIL	288.19	120.63
	(NIL)	(NIL)	(381.52)	(0.86)
Job-Work	NIL	NIL	NIL	NIL
	(NIL)	(NIL)	(NIL)	Nil
Op. Stock	NIL	NIL	1.24	Nil
	(NIL)	(NIL)	(0.12)	Nil
Rs. In Lacs	NIL	NIL	3.76	Nil
	(NIL)	(NIL)	(0.40)	Nil
Cl. Stock	NIL	NIL	0.84	1.98
	(NIL)	(NIL)	(1.24)	Nil
Rs. In Lacs	NIL	NIL	2.85	6.33
	(NIL)	(NIL)	(3.76)	Nil

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.)	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
I). HDPE/LLDPE/LDPE/PP	555.19	510.70	395.70	422.27

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

	31/03/2011 Value	%	31/03/2010 Value	%
I). RAW MATERIAL				
IMPORTED	285.34	37.44	186.57	33.05
INDIGENOUS	476.71	62.56	377.95	66.95
TOTAL	762.05	100.00	564.53	100.00
II). SPARE PARTS AND COMPONENTS				
IMPORTED	20.01	21.68	38.06	58.36
INDIGENOUS	72.27	78.32	27.15	41.64
TOTAL	92.27	100.00	65.21	100.00

D. INCOME/EXPENDITURE IN FOREIGN CURRENCY:

PARTICULARS	31/03/2011	31/03/2010
I) Earning in Foreign Exchange	526.97	826.70
II) CIF value of Imports of Material	309.17	248.86
III) Expenditure in Foreign currency Traveling, Exhibition, Technical, Drawing and Design	34.52	47.37
IV) Capital Equipments	349.34	356.47

18. Previous period figure have been regrouped and rearranged/recast wherever necessary. Figure in brackets related to previous year. All amounts appears in this schedule are rupees in lacs.

**AS PER OUR REPORT ANNEXED
FOR RATHI & BANGAD
FIRM REGN. NO. 108702W
CHARTERED ACCOUNTANTS**

**ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR**

**DILIP JAIN
PROPRIETOR
M.NO. 044301**

**SANDEEP MACHHAR
DIRECTOR**

PLACE : AURANGABAD

**DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)**

DATE: 31-08-2011

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31/03/2011

	PARTICULARS	2010-2011 (Amount in Rs.)	2009-2010 (Amount in Rs.)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	i) Profit/Loss after Tax & Extra Ordinary Items	(16,642,358)	100,859,378
	ii) Profit on Sale of Assets	-	(23,049)
	iii) Depreciation & Impairment	31,355,094	19,144,426
	iv) Interest /Financial Charges	9,175,444	9,548,341
	v) Provision for Investments Reversed		
	vi) Interest /Dividend Received	(9,451)	(7,830)
	Total	40,521,086	-
	OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES ADJUSTMENT	18,868,093	23,878,729
	i) Trade and other Receivables	302,336	11,244,420
	ii) Inventories	(8,257,488)	(2,152,835)
	iii) Trade Payable	(9,733,599)	13,018,186
	iv) Cash generated from operations	1,179,342	45,988,500
	v) Interest paid/Financial Charges	20,914,580	9,175,444
	NET CASH FROM OPERATING ACTIVITIES (TOTAL A)	(19,735,238)	36,813,056
B	NET FLOW FROM INVESTMENT ACTIVITIES		
	i) Purchase of Fixed Assets	30,101,991	163,460,214
	ii) Sale of Fixed Assets	-	-
	iii) Interest/Dividend Received	(10,252)	30,091,739
	NET FLOW FROM INVESTMENT ACTIVITIES [TOTAL B]	(30,091,739)	(163,450,763)
C	CASH FLOW FROM FINANCIAL ACTIVITIES		
	i) Proceeds From Long Term Financing	86,852,117	65,418,688
	ii) Proceeds From Short Term Financing	22,324,226	7,613,401
	iii) Payment of Long Term Borrowings	(14,920,741)	(7,550,000)
	iv) Payment of Deferral Credits	(16,326,348)	(7,250,000)
	v) Deferred payment to Machine Suppliers	(28,011,708)	69,326,397
	NET FLOW FROM FINANCIAL ACTIVITIES [TOTAL C]	49,917,546	127,558,486
	CLOSING BALANCE [A+B+C]	90,570	920,779
	CASH AND BANK EQUIVALENT OPENING BALANCE	3,017,338	2,096,558
	CASH AND BANK EQUIVALENT CLOSING BALANCE	3,107,908	3,017,338

AS PER OUR REPORT ANNEXED
FOR RATHI & BANGAD
FIRM REGN. NO. 108702W
CHARTERED ACCOUNTANTS

DILIP JAIN
PROPRIETOR
M.NO. 044301

PLACE : AURANGABAD
DATE: 31-08-2011

FOR AND ON BEHALF OF THE BOARD

ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR
DIRECTOR

DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)

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	1	1

State Code	1	1
------------	---	---

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue				N	I	L
Bonus Issue				N	I	L

Right Issue				N	I	L
Equity Warrants				N	I	L
Preferential Issue	2	5	0	0	0	0

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

Total Liabilities	4	9	6	9	6	6
-------------------	---	---	---	---	---	---

Total Assets	4	9	6	9	6	6
--------------	---	---	---	---	---	---

SOURCES OF FUNDS:

Paid-up Capital		5	2	6	3	5
Secured Loan	1	7	6	1	9	9
Un-secured Loans		5	6	3	5	2

Reserves and Surplus	1	1	3	9	7	6
Deferred Payments		9	7	8	0	3

APPLICATION OF FUNDS:

Net Fixed Assets	3	2	4	5	5	9
Net Current Assets		5	5	0	2	9
Accumulated Losses	1	1	6	9	6	9

Investment	4	0	9
Misc. Expenses	N	I	L

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

Turnover	2	0	9	5	4	2
Profit/(Loss before Tax)	-	3	3	0	9	1
Earnings per share (Rs.)	-(5.35)					

Total Expenditure	2	4	2	6	3	2
Profit/(Loss) after Tax	-	2	8	1	8	1
Dividend per share				N	I	L

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	9	0

FOR AND ON BEHALF OF THE BOARD

**ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR**

**SANDEEP MACHHAR
DIRECTOR**

**PLACE : AURANGABAD
DATE: 31-08-2011**

**DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)**

NAVNEET MACHINES MANUFACTURING COMPANY LIMITED

NOTICE

Notice is hereby given that the **ANNUAL GENERAL MEETING** of the company will be held on, 30th August 2011 at Plot No. J-18, MIDC Area, Chikalthana, Aurangabad at 1800 Hrs. to transact the following business.

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on **31st March, 2011** and the Profit & Loss Account for the year ended on that date together with the Directors and Auditors' Reports thereon.
2. To appoint Auditors and to fix their Remuneration

FOR AND ON BEHALF OF THE BOARD

PLACE : AURANGABAD

DATE : 1/08/2011

DIRECTOR

NOTE

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE MEMBERS ARE REQUESTED TO INTIMATE TO THE COMPANY CHANGES, IF ANY, IN THEIR REGISTERED ADDRESS AT AN EARLY DATE.

NAVNEET MACHINES MANUFACTURING COMPANY LIMITED

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 2011.

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 Anil Chemicals and Industries Ltd., Bankers and local bodies for their cooperation and trust reposed by them in the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE : AURANGABAD

DATE : 01/08/2011

DIRECTOR

DIRECTOR

AUDITORS REPORT

To,
The Members of
NAVNEET MACHINES MANUFACTURING COMPANY LIMITED
AURANGABAD.

We have audited the attached Balance Sheet of **NAVNEET MACHINES MANUFACTURING COMPANY LIMITED** as at **31st March 2011** 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.

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 disclosure in the financial statements. An audit also includes assessing the accounting principals 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.

1. As required by the Companies (Auditors Report) Order, 2003 issued by The Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in Paragraph (3) above we, report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.
 - b) In our opinion, the company as required by law, has kept proper books of accounts so far as appears from our examination of such books.
 - c) The Balance sheet and Profit and Loss Account as referred to in report are in agreement with the books of accounts.
 - d) In our opinion, the Balance sheet and Profit and Loss 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) In our opinion and based on information and explanations given to us, none of the Directors of the Company is disqualified from being appointed as Directors in terms of clause (g) of Sub-Section (1) of the section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the notes thereon, gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - i) In case of Balance Sheet of the state of affairs of the Company as at **31st March, 2011**
and
 - ii) In case of Profit and Loss Account, of the **Loss** for the year ended on that date.

**FOR M. P. BHALGAT & ASSOCIATE
CHARTERED ACCOUNTANTS**

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

**PLACE: AURANGABAD
DATE : 01/08/2011**

NAVNEET MACHINES MANUFACTURING COMPANY PVT. LTD.
BALANCE SHEET AS ON 31 ST MARCH, 2011.

	SCH. NO.	AS AT 31.03.2011 RUPEES	AS AT 31.03.2010 RUPEES
<u>I. SOURCES OF FUNDS</u>			
1.SHAREHOLDER'S FUNDS:			
Share Capital	1	100000	100000
<u>2.RESERVES & SURPLUS:</u>			
Subsidy	2	17116	17116
3.UNSECURED LOAN	3	111006	91006
TOTAL		228122	208122
<u>II. APPLICATION OF FUNDS</u>			
1.FIXED ASSETS	4	152585	152585
2.CURRENT ASSETS,LOANS & ADVANCES	5	5564	564
Less: CURRENT LIABILITIES & PROVISIONS	6	3700	5000
NET CURRENT ASSETS		1,864	(4,436)
4.MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
Preliminary & Preoperative Expenses		73673	59973
TOTAL		228122	208122
Notes to Accounts	7		
FOR AND ON BEHALF OF THE BOARD			
FOR M.P.BHALGAT & ASSOCIATES			
CHARTERED ACCOUNTANTS			
(M.P.BHALGAT)		SANDEEP MACHHAR	ARPIT MACHHAR
PROPRIETOR		DIRECTOR	DIRECTOR
Membership No. 31570			
Place: Aurangabad.			
Date : 01.08.2011			

NAVNEET MACHINES MANUFACTURING COMPANY PVT. LTD.
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011

PARTICULARS	AS ON 31.03.2011 RUPEES	AS ON 31.03.2010 RUPEES
A. INCOME		
Sundry Balance Written Up	0	0
B. Expenses		
Audit Fees	1500	1500
Rent, Taxes & fees	0	0
ROC Filing Fees	12200	0
TOTAL	13700	1500
Add : Prior Period Expenses	0	0
Preoperative Expenses transferred to Balance Sheet	13700	1500
AS PER REPORT ON EVEN DATE		
CHARTERED ACCOUNTANTS		
(M.P.BHALGAT)	FOR AND ON BEHALF OF THE BOARD	
PROPRIETOR	SANDEEP MACHHAR	ARPIT MACHHAR
Membership No.: 31570	DIRECTOR	DIRECTOR
Place : Aurangabad.		
Date : 01.08.2011		

NAVNEET MACHINES MANUFACTURING COMPANY PVT. LTD.
SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31.03.2011

PARTICULARS	AS ON 31.03.2011 RUPEES	AS ON 31.03.2010 RUPEES
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
10000 equity Shares of Rs.10/- each	500000	100000
	500000	100000
ISSUED SUBSCRIBED & PAID UP		
10,000 Equity Shares of Rs.10/- each fully paid up	100000	100000
TOTAL	100000	100000
SCHEDULE : 2		
RESERVES & SURPLUS Subsidy	17116	17116
TOTAL	17116	17116
SCHEDULE : 3		
UNSECURED LOANS		
Apt Packaging Limited	110706	87206
(Formerly known as Anil Chemicals & Industries Ltd.)		
Navneet Machhar	300	400
Sandeep Machhar	0	3400
TOTAL	111006	91006
SCHEDULE : 4		
FIXED ASSETS		
Building	113520	113520
Site Development	10000	10000
Plant & Machinery	29065	29065
TOTAL	152585	152585
SCHEDULE : 5		
CURRENT ASSETS, LOANS & ADVANCES		
Cash on Hand	64	64
Balance with Schedule Bank:-	5500	500
TOTAL	5564	564
SCHEDULE : 6		
CURRENT LIABILITIES & PROVISIONS :		
Audit Fees Payable	3700	5000
TOTAL	3700	5000

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON 31st MARCH,2011

PARTICULARS	2010-2011 (RUPEES)	2009-2010 (RUPEES)
TURNOVER	NIL	NIL
1. Contingent Liabilities	NIL	NIL
ADDITIONAL INFORMATION REQUIRED BY PART-II TO SCHEDULE VI OF THE COMPANIES ACT, 1956 TO THE EXTENT APPLICABLE CLAUSE 4-B		
PAYMENTS TO AUDITORS		
i) Audit Fees	1500	1500
TOTAL	1500	1500

Additional information with regard to dues receivable/payable to Directors and their Associates

i) Loans from Directors.		
Nawnit Machhar	300	400
Sandeep Machhar		3400

FOR AND ON BEHALF OF THE BOARD

Place : Aurangabad.
Date : 01.08.2011

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 CO. LTD.

(M.P. BHALGAT)
PROPRITOR
Membership No. 31570
PLACE: AURANGABAD
DATE: 01/08/2011

(DIRECTOR) (DIRECTOR)

ANNEXURE TO THE AUDITORS' REPORT.

ANNEXURE REFERRED TO THE AUDITORS' REPORT: -

Having regards to the nature of the Company's business/ Activities/results clauses (ii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx) and (xxi) are not applicable the company.

(i)(a)	The Company has maintained proper records showing full particulars, including quantitative details and situations of fixed assets.
(b)	The fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed.
(c)	The company has not disposed off substantial part of its fixed assets during the year.
ii) a)	According to the information and explanation given to us, the Company has not granted unsecured loan to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(b)	According to the information and explanation given to us, the Company has not taken unsecured loan from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
iii)	In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and nature of its business for purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls. There is no continuing failure to correct major weakness in internal control.
iv) a)	In our opinion and according to the information and explanation given to us, the transactions that need to be entered into a register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
(b)	In our opinion and according to the information and explanation given to us, the Company has not entered into any transactions for purchase or sales or services in pursuance of contracts or arrangements entered into the register maintained u/s 301 of the Companies Act, 1956 and aggregating during the year to Five Lacs Rupees or more in respect of each party.
v)	In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit covered under the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
vi)	In our opinion, the Company has an adequate internal audit system, commensurate with the size and nature of its business.

FOR M. P. BHALGAT & ASSOCIATE
CHARTERED ACCOUNTANTS

DATE: 01/08/2011
PLACE: AURANGABAD

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

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 2011**, 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.2,28122/- as at 31st March 2011, 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, {Accordinging 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. 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 outstanding balances of debtors, creditors, loans and advances(taken and given), balances with various statutory / fiscal liabilities (Assets & Liabilities) i.e. Excise deposits / balances, VAT(Sales Tax),CST, TDS / TCS are subject to confirmations, reconciliation's and consequent adjustment, if any. (Refer Note No. 14 in schedule13.)*
2. In our opinion *Subject to what is stated in point no. f of paragraph1 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. 6 regarding contingent liability, Note no.7 regarding unimplemented portion of BIFR's Sanctioned scheme and Note 12 regarding balances etc with Micro, Small and Medium enterprises respectively (for details refer said notes in Schedule 13)* 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 consolidated Balance Sheet of the State of affairs of the Company as at 31st March, 2011 and
 - b) In the case of consolidated Profit and Loss Account, of the "**Loss**" for the year ended on that date.
 - c) In case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For Rathi & Bangad
Chartered Accountants
[Firm Reg. No. 108702W]**

**Dilip D. Jain
Proprietor
M. No. 044301**

**Date: 31 / 08 / 2011
Place: Aurangabad**

APT PACKAGING LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH'2011

	SCHEDULE	AS AT 31.03.11 RUPEES	AS AT 31.03.10 RUPEES
SOURCES OF FUNDS:			
SHARE HOLDERS FUNDS			
Capital	1	58,040,640	33,040,640
Reserve & Surplus	2	108,587,308	108,587,308
LOAN FUNDS			
Secured Loans	3	176,199,224	115,985,294
Deferred Payments	4	97,803,400	140,280,155
Unsecured Loans	5	56,352,316	49,171,945
		496,982,888	447,065,342
APPLICATION OF FUNDS:			
FIXED ASSETS			
	6		
Gross block		581,478,436	554,184,515
Less: Depreciation		255,399,276	229,091,896
Less: Impairment		19,604,996	19,604,996
Net Block		306,474,164	305,487,623
Add: Capital Work in Progress		18,237,615	15,429,546
	(TOTAL :I)	324,711,779	320,917,169
INVESTMENTS	7	308,922	146,123
CURRENT ASSETS,LOANS & ADVANCES			
	8		
Inventories		34,724,826	26,467,340
Sundry Debtors (Un-secured)		31,759,927	31,624,302
Cash And Bank Balance		3,113,472	3,017,902
Other Current Assets		9,898,842	10,396,143
Loans and advances		11,808,978	11,769,638
	(TOTAL : II)	91,306,045	83,275,325
Less: Current Liabilities & Provisions	9		
Liabilities		33,750,041	44,900,904
Provisions		2,636,020	1,218,556
	(TOTAL : III)	36,386,061	46,119,460
Net Current Assets	(TOTAL : II-III)	54,919,985	37,155,865
Miscellaneous Expenditure (to the extent not W/off or adjusted)		73,673	58,473
Balance in Profit & Loss Account		(116,968,529)	(88,787,713)
	TOTAL :	496,982,888	447,065,342
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
FIRM REGN. NO. 108702W
CHARTERED ACCOUNTANTS

DILIP JAIN
PROPRIETOR
M.NO. 044301

PLACE : AURANGABAD
DATE: 31-08-2011

ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR
DIRECTOR

DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)

APT PACKAGING LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR YEAR ENDED 31/03/2011

	SCHEDULE	Current Year Rupees	Previous Year Rupees
A. INCOME			
Sales (Refer Note No. 3 & 4 in SCH 13)		203,214,662	194,902,306
Transportation Income		3,957,064	4,758,702
Other Income	10	2,369,902	(147,384)
Increase/(Decrease) in Inventory		209,541,627	199,513,624
	TOTAL :	203,214,662	194,902,306
B. EXPENDITURE			
Raw Material Consumed		76,204,671	56,452,731
Purchases & Expenses (Garments)		10,831,049	9,221,975
Transportation Exp.		8,577,145	1,893,382
Other Expenses	11	120,711,882	117,282,830
Depreciation		26,307,380	17,946,094
Impairment of Assets		-	13,409,000
	TOTAL :	242,632,128	216,206,012
C. NET PROFIT/(LOSS) BEFORE TAX			
		(33,090,501)	(16,692,388)
Add / Less : Expences related to earlier year		(2,197,868)	(137,373)
Add / Less : Income relating to earlier year		587,204	185,903
ADD : Extra Ordinary items (Waiver of Financial Institution Interest Refer Note No.5 of SCH 13)		6,520,348	-
D. NET PROFIT/(LOSS)			
		(28,180,816)	(16,643,858)
Less: Provision for Fringe Benefit Tax		-	-
PROFIT AFTER TAX transferred to P&L appropriation account	12	(28,180,816)	(16,643,858)
F.1. Basic and diluted earning per share (in Rs.) considering extra ordinary items		(8.29)	(6.02)
F.2. Basic and diluted earning per share (in Rs.) without considering extra ordinary items		(6.73)	(6.02)
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
FIRM REGN. NO. 108702W
CHARTERED ACCOUNTANTS

DILIP JAIN
PROPRIETOR
M.NO. 044301

PLACE : AURANGABAD
DATE: 31-08-2011

ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR
DIRECTOR

DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND P&L A/C			
SCHEDULE NO. 1		AS AT 31.03.11 RUPEES	AS AT 31.03.10 RUPEES
SHARE CAPITAL			
AUTHORISED:			
1,00,10,000 Equity Share of Rs.10 each		100,100,000	100,100,000
ISSUED CAPITAL :			
60,36,437 (35,36,437) Equity shares of Rs.10/- each		60,364,170	35,364,170
PAID UP CAPITAL : (Refer Note No.8 & 25)			
*52,63,487 (27,63,487) Equity Shares of Rs.10/- each fully paid up. 1,616 shares allotted as fully paid up in consideration other than cash and 2,680 shares are pending for exchange of Girnar Holding Ltd.		52,634,870	27,634,870
Forfeited Shares		5,405,770	5,405,770
	TOTAL	58,040,640	33,040,640
*Out of which 25,00,000 paid up shares issued during the year to promoters are not transferrable upto 25.10.2013			
SCHEDULE NO.2			
RESERVE AND SURPLUS			
1) CAPITAL RESERVE			
Capital Incentives (Subsidy)	5339989		
Profit on Reissue of forfeited shares	335500	5,675,489	5,675,489
Capital Reserve (Refer Note No.13 of SCH.13)		54,821,914	54,821,914
2) SECURITIES PREMIUM ACCOUNT			
	TOTAL	108,587,308	108,587,308
SCHEDULE NO.3			
SECURED LOANS			
1. TERM LOANS FROM:			
a) Punjab National Bank Term Loan - I (Due within one year Rs.81.66 lacs)		19,803,811	26,637,731
b) Punjab National Bank Term Loan - II (Due within one year Rs.89.21 lacs)		16,359,833	8,549,280
c) Punjab National Bank Term Loan - III (Due within one year Rs.73.13 lacs)		30,719,526	18,086,565
d) Punjab National Bank Term Loan - IV (Due within one year Rs. 27 Lacs)		15,074,907	-
e) Punjab National Bank Term Loan - V (Due within one year Rs. 17.91 Lacs)		5,610,960	-
f) HDFC Bank Ltd. "Vehicle Loan" (Due within one year Rs.3.56 lacs)		994,893	838,121
g) Punjab National Bank. "Vehicle Loan" (Due within one year Rs.1.33 lacs)		315,228	-
h) State Bank of India "Vehicle Loan" (Due within one year Rs.5.99 lacs)		3,122,242	-
2. WORKING CAPITAL LOANS FROM BANKS:			
a) Punjab National Bank		84,197,823	61,873,597
	TOTAL	176,199,224	115,985,294
NOTES:			
1). Working Capital loans of Rs.841.98 Lacs (Rs.618.74 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 collateral charge on all fixed assets situated at Plot No.J-18 Chikalthana, Gut No.72 Pharola, Survey No. 58 at Nandrabad			
2). Term Loans of Rs.875.69 Lacs (Rs.532.73 Lacs) due to Punjab National Bank are secured by way of Mortgage of immovable properties situated at Plot No.J-18 Chikalthana, Gut No.72 Pharola, Survey No.58 at Nandrabad and Khasra No.529 Akbarpur Urd, Laksar, HARDWAR.			
3). Vehicle car loans of Rs.44.32 lacs (Rs.8.38 Lacs) are secured against the vehicles acquired out of the said loans and which includes Rs. 31.22 Lacs from SBI and Rs. 4.27 Lacs from HDFC Bank are for the vehicles in the name of one of the Director			
4). Term Loans/Working Capital Loans are guaranteed by Chairman cum Managing Director and one Director.			

SCHEDULE NO. 4	AS AT 31.03.11 RUPEES	AS AT 31.03.10 RUPEES
DEFERRED PAYMENTS		
1. Sales Tax Defferment:		
a) Co-Ex Tube, Pharola (MS) (Due within one year Rs.36.04 Lacs)	56,488,711	54,627,410
2. VBC Industries Ltd.	-	16,326,348
3. Deferred Payment to Machine Supplier (Due within one year Rs.123.89 Lacs) Deferred payment for New M/c payable in 2 years	12,389,118	18,117,754
4. Deferred Payment to Machine Supplier(Due within one year Rs.124.83 Lacs) Deferred payment for New M/c payable in 2 years secured by LC of Bank	12,482,687	24,050,267
5. Deferred Payment to Machine Supplier (Due within one year Rs.164.42 Lacs) Deferred payment for New M/c payable in 2 years secured by Hyp. of M/c	16,442,885	27,158,376
TOTAL	97,803,400	140,280,155
SCHEDULE NO.5		
UNSECURED LOANS		
Unsecured Loans From:-		
i) Directors	21,273,156	8,337,483
ii) Promoters (Interest free)	10,891,000	24,776,000
iii) Inter Corporate Deposit	9,101,946	24,776,000
iv) Inter Corporate Deposit from Promotor group company	15,086,214	16,058,462
TOTAL	56,352,316	73,947,945

SCHEDULE NO. 6
FIXED ASSETS
STATEMENT OF DEPRECIATION FOR THE PERIOD 01.04.2010 TO 31.03.2011

PARTICULARS	GROSS - BLOCK				DEPRECIATION				IMPERIM ENT Reserve Cl. Bal	NET BLOCK AS ON 31/03/11	NET BLOCK AS ON 31/03/10
	AS ON	ADDITION S	DEDUC TION	AS ON	AS ON	FOR THE YEAR	Addition/ (Deleation)	UP TO			
	01/04/10			31/03/11	01/04/10	31/03/11	PROV.	31/03/11			
LEASE HOLD LAND	85509	0	0	85509	15885	748	0	16633	0	68876	69624
FREEHOLD LAND	13078522	0	0	13078522	0		0	0	0	13078522	13078522
BUILDING	61347620	6258606	0	67606225	20252894	2180588	0	22433482	0	45172743	41094726
PLANT & MACHINERY	467186609	15341730	563300	481965040	201040774	23269921	513	224310695	19524726	238129619	246621110
FURNITURE & FIXTURE	4753075	687717	0	5440792	3270274	151712	0	3421986	3321	2015485	1479480
OFFICE EQUIPMENTS	2856655	72530	0	2929185	1868635	90401	0	1959036	70702	899446	917318
VEHICLES	2238699	5272809	0	7511508	654977	431955	0	1086932	6247	6418329	1577475
COMPUTERS	2637826	223830	0	2861655	1988458	182055.25	0	2170513	0	691143	649368
TOTAL	554184515	27857221	563300	581478436	229091896	26307380.25	513	255399276	19604996	306474164	305487623
CAPITAL WORK IN PROGRESS	15429546	2808069		18237615				0		18237615	15429546
GRAND TOTAL	569614061	30665290	563300	599716052	229091896	26307380.25	513	255399276	19604996	324711779	320917169
PREVIOUS YEAR	406001262	163460214	0	569461477	211145802	17946094	0	211145802	19604996	320693708	

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.
3. Vehicles includes two vehicles having original value of Rs. 47.23 Lacs held in the name of one of the Director.

SCHEDULE NO.7			
INVESTMENT			
SHARES AND DEBENTURES (As verified by the Management)			
I. UNQUOTED AT COST			
a. In Subsidiary Company			
Navneet Mach. Mfg. Co. Ltd.	9980	-	-
b. Devgiri Nagri Sahkari Bank Ltd.	1050	10,555	10,555
	TOTAL(I)	10,555	10,555
II. QUOTED-(FULLY PAID,AT COST)			
U.T.I. Master Shares	846	1,644	1,644
U.T.I. Master Gain	300	3,000	3,000
Dhar Cements Limited	183	5,930	5,930
Titan Industries Limited	650	5,830	5,830
Nirup Synchrome Limited	5000	229,500	229,500
Maharashtra Explosives Limited	3550	107,565	107,565
Astra Zeneca Pharma India Limited	100	2,512	2,512
Sanchay Finvest Limited	5000	75,000	75,000
LESS : Provision for Quoted Investments	0	(132,614)	(295,413)
	TOTAL(II)	298,367	135,568
	TOTAL(I+II)	308,922	146,123
COST OF QUOTED INVESTMENTS		298,367	135,568
MARKET VALUE OF QUOTED INVESTMENTS		298,367	236,910

SCHEDULE NO. 8	AS AT 31.03.10 RUPEES	AS AT 31.03.09 RUPEES
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS:		
I. INVENTORIES (Valued at Lower of Cost and net realisable value except stated other wise.		
(As certified by the Management)		
Raw Material		
Indegenous	11,681,530	11,215,459
Imported	7,852,101	2,485,476
Finished goods	6,161,291	3,791,389
Packing Material at cost	515,263	631,053
Stores and Spares at cost	6,514,772	7,602,782
Semi-finish Goods & Work in Progress at Cost	1,999,868	741,181
	TOTAL	34,724,826
II. SUNDRY DEBTORS CONSIDERED GOOD		
Exceeding Six Months (Un-Secured)	228,290	2,971,616
Less: Provision for doubtful debts	-	(2,326,225)
Others (Un-Secured)	31,531,637	30,978,911
	TOTAL	31,759,927
III. CASH AND BANK BALANCE		
Cash In Hand	261,036	42,868
Balance with scheduled Banks		
In Current Accounts	191,555	536,947
In Time Deposit Accounts	2,660,881	2,438,087
	TOTAL	3,113,472
IV. OTHER CURRENT ASSETS		
Pre-Paid expenses	539,656	406,086
TDS Receivables (Refer Note no.14 In SCH 13)	420,042	1,036,883
VAT Receivables	4,316,133	2,822,874
RG-23-A Unutilised Balance	427,487	1,830,824
RG-23-C Unutilised Balance	869,808	-
Deposits	3,325,717	4,299,475
	TOTAL	9,898,842
B. LOANS AND ADVANCES		
(Unsecured considered good except stated otherwise)		
Loan to subsidiary	(300)	(300)
Inter Corporate Deposit to Resulting Company	(154,276)	113,540
Advance to Suppliers for Capital goods	7,220,764	3,818,540
Advance to Suppliers for Raw Material & Consumables	4,364,524	7,426,741
Advances recoverable in cash or in kind or for value to be received	411,116	378,266
	TOTAL	11,808,978
	91,306,045	83,275,325
SCHEDULE NO. 9		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry creditors	20,812,077	23,467,052
Int. accrued but not due	9,728	
Deposits	63,500	63,500

Advance from Customers		1,417,071	10,695,113
Other Liabilities		11,447,664	10,675,239
	TOTAL	33,750,041	44,900,904
B. PROVISIONS			
Provision for Gratuity		2,636,020	1,218,556
	TOTAL	2,636,020	1,218,556
	TOTAL	36,386,061	46,119,460
MISC. EXP. TO THE EXTENT NOT W/OFF OR ADJ.			
I. Preliminary Expenses		73,673	58,473
Less: Written off			
	TOTAL	73,673	58,473
SCHEDULE NO.10		Current Year	Previous Year
		RUPEES	RUPEES
OTHER INCOME			
1. Sale of Scrap (TCS Rs.15,817/-)		1,478,855	1,361,500
2. Interest Received (TDS Rs.18,362/-)		221,195	56,400
3. Dividend on shares		10,252	9,451
4. Export Incentives		1,332,736	1,557,358
5. Credit balances Written back		13,691	46,393
6. Foreign Exchange variations		360,334	1,013,688
7. Other Receipts		407,201	451,232
8. Rent Receipt		132,800	262,680
	TOTAL	3,957,064	4,758,702
SCHEDULE NO.11			
OTHER EXPENSES			
Excise Duty		7,775,884	8,206,779
Sales Tax		1,896,373	2,832,411
Excise Duty for Closing Stock Provision		26,636	38,714
Stores and Spares Consumed		9,227,245	9,874,547
Packing Material Consumed		5,611,691	4,789,124
Water Charges		25,750	14,640
Wages Contract		7,471,709	4,627,018
Power, Fuel etc.		12,004,398	9,283,581
Job work Charges		580,936	2,657,026
Transportation Expenses		-	6,756,872
Repairs & Maintenance			
Machinery	1247108		
Building	347569		
Others	604019	2,198,696	2,909,370
Employee Cost			
Salary, wages etc.	25643085		
PF Contribution	1001753		
Employee welfare	606977	27,251,815	20,222,836
Rates & Taxes		111,847	217,440
Insurance		727,818	757,947
Telex, Telephone & Postage		1,917,745	1,611,095
Directors Remuneration		1,522,359	1,047,146
Auditors Remuneration:			
Audit Fees	170000		
Others	30000		
Out of Pocket Expenses	3295	203,295	157,633
Foreign Travelling Expenses		3,010,359	2,294,129
Travelling Expenses		2,161,973	3,098,467
Legal and Professional Expenses		1,863,324	1,644,744
Sales Rebate & Discount		-	63,083
Exhibition & Marketing Expenses		1,341,448	2,695,687
Debit Bal. Written off		1,862	199
Advances Written Off		594,442	-
Provision for bad & doubtful debts (Refer Note No.5 in Sch.13)		-	11,142,549
Miscellaneous Exp.		11,390,197	10,505,750
Interest (Working Capital)		9,419,261	5,901,944
Interest (Term Loan)		9,023,286	2,681,072
Interest to others		2,472,033	592,427
Donation		251,000	-
Building Rent		628,500	658,600
	TOTAL	120,711,882	117,282,830
SCHEDULE NO.12			
PROFIT AND LOSS APPROPRIATION ACCOUNT			
Balance B/F from last year		(88,787,713)	(72,145,355)
ADD: Profit for the year		(28,180,816)	(16,642,358)
TOTAL Profit/(loss) carried to Balance Sheet		(116,968,529)	(88,787,713)

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:

- x) 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.
- xi) 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.
- xii) Depreciation on addition is being provided on pro-rata basis from the following month of such additions.
- xiii) 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.
- xiv) Normal depreciation is provided on addition on account of exchange variation of foreign currency loans in the following years.
- xv) Rates of depreciation for plant and machinery of the co-extruded tube division is considered as continuous process plant @5.28%.
- xvi) Plant & Machinery other than (vi) above @4.75%
- xvii) 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.
- xviii) 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:

- iv. Inventories are valued at lower of cost and net realizable value except packing material, stores & spares, semi finished goods and work in progress which are valued at cost.
 - v. 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.
 - vi. Inventory verified, valued and certified by management.
- ##### **f) Sales and Income Recognition (Refer note No. 3 & 4 in SCH 13)**
- i. Sales are stated and recognized on dispatches at Gross value i.e. inclusive of all taxes and freight charged to customers.
 - ii. Gross sales includes inter unit sale of finished and semi-finished goods. Inter unit transfers of raw materials, consumables, stores and spares are transferred at cost and not included in sales.
 - iii. Garments (Inclusive of Transportation thereon) accounted on dispatch to customer basis on gross value and grouped under sales
 - 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:

- iv. Contribution to the Provident Fund is made monthly as per the provisions of the Provident Fund Act.
- v. The provision of Gratuity for employees and Directors are recognized and accounted for on the basis of Actuarial Valuation made by authorized assessor.
- vi. 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. 15 in SCH 13):

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. 11 in SCH 13)

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	2) Co-extruded Tube, 2) Garments
Customer base	Domestic market/ overseas market
Geographical Area of Operation	Domestic market/ overseas market
Geographical area of assets location	Maharashtra, Uttarakhand

A. Primary Segment: Business segment

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

Sr NO	Particulars	Rupees in Lacs		Total
		Garments Division	Co-extruded Tube Division	
	Revenue			
A	Sales	128.62	1,903.53	2,032.15
B	Profit / Loss Before Dep. and Interest	8.46	247.16	255.61
C	Interest Expenses	--	209.15	209.15
D	Depreciation & Impairment	--	263.07	263.07
E	Extra Ordinary Items	--	65.20	65.20
F	Net Profit/Loss	8.46	(290.26)	(281.81)
	Other Information			
G	Segmental Assets	--	5,995.63	5,995.63
H	Less Depreciation & Impairment	--	2,750.04	2,750.04
I	Net Assets	--	3,245.59	3,245.59
J	Segmental Liabilities	6.73	357.10	363.82

B. Secondary Segment: Geographic Segment

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

	PARTICULARS	Garments	Co-Ex Tube	TOTAL
A	DOMESTIC	--	1,433.41	1,433.41
B	EXPORT	--	470.12	470.12
C	GARMENTS	128.62	--	128.62
	TOTAL	128.62	1,903.53	2,032.15

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.

2. Related Party Disclosure:
Amount in Lacs

Sr. No.	Name of the Party	Relationship	Nature	Amount (C.Y)	Amount (P.Y)
01.	Arvind Machhar	Chairman Cum Managing Director	Remuneration	15.22	12.11
02.	Sandeep Machhar	Whole Time Director	Remuneration	--	6.90
03.	Arpit Machhar	Son of CMD	Salary	3.68	3.68
04.	Nishant Machhar	Son of CMD	Salary	--	0.76
05.	Arvind Machhar	Chairman Cum Managing Director	U/L – With Interest	153.93	46.40 31.97
06.	Sandeep Machhar	Director	U/L – With Interest	58.80	5.00
07.	Arpit Machhar	Son of CMD	Interest Free U/L Taken	9.10	11.30
08.	Prabha Machhar	Wife of CMD	Interest Free U/L Taken	35.40	36.40
09.	Prema Machhar	Wife of Director	Interest Free U/L Taken	2.25	33.25
10.	Kiran Machhar	Wife of WTD's Brother	Interest Free U/L Taken	19.00	37.00
11.	Sunita Machhar	Wife of WTD's Brother	Interest Free U/L Taken	--	35.41
12.	Dimpi Machhar	Wife of Director	Interest Free U/L Taken	6.16	37.40
13.	Parv Machhar	Son of Director	Interest Free U/L Taken	--	5.00
14.	Shittal Machhar	Wife of Directors Brother	Interest Free U/L Taken	27.00	37.00
15.	Race Course Capital Market Limited	Promoters Group Company	U/L – With Interest	110.05	59.75 100.83
16.	Utsav Logistice Private Limited	Promoters Group Company	U/L - With Interest	40.82	--
17.	Navneet Machines Manufacturing Co. Pvt. Ltd.	Subsidiary Company	Interest free U/L Given	1.11	0.76
18.	Khandelwal Jain & Co.	Related Concern of Non Executive Independent Director	Payment of Professional Fees	0.25	0.22
19.	Arvind Machhar	Chairman Cum Managing Director	Interest on U/L Loan	5.80	1.89
20.	Sandeep Machhar	Director	Interest on U/L Taken	1.45	--
21.	Utsav Logistice Private Limited	Promoters Group Company	Interest on U/L Taken	0.91	--
22.	Race Course Capital Market Limited	Promoters Group Company	Interest on U/L Taken	9.03	2.87

- 3) Sales include Garments (inclusive of transportation) Rs.128.62 Lacs (Rs.171.23 Lacs.).
- 4) Sales are stated at gross value inclusive of taxes and Freight. Sales includes inter unit transfer of finished / semi-finished goods amounting to Rs. 78.83 Lacs (NIL).
- 5) As per the Sanctioned Scheme ordered by Hon'ble BIFR, during the year the Company is eligible for waiver of Rs. 65.20 Lacs by way of remission of dues from one of the unsecured creditor of the Company. The same is shown in the profit and loss account as extra ordinary item.
- 6) **Contingent Liabilities:**
- h. Claims not acknowledged as debts are on account of a suit 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. The BIFR have ordered for repayment subject to withdrawal of suit.
- i. Guarantee given by the Company for sales tax deferment dues of the resulting Company Machhar Industries Limited as per the sanctioned scheme ordered by BIFR RS. 399.36 Lacs (Rs. 399.36 Lacs).
- j. Bonds executed by the company in favour of Commissioner, Central Excise and Customs, Government of India for import of capital goods under the Export Promotion Capital Goods Scheme of the Government of India for import of capital goods Rs. 609.84 Lacs (Rs. 572.28 Lacs), for export obligations to that extent to be completed.
- k. In respect of demand raised by Sales Tax authority, Aurangabad for Rs.1.52 lacs for the FY 2004-2005 on assessment for which the company have made appropriate representation for withdrawal of the demand to the department.
- l. In respect of notices issued by Sales Tax Authority, HARDWAR w.r.t. various compliances for Rs. 1.61 Lacs
- m. 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.
- n. Estimated amount of contract remaining to be executed net of advances on capital account and not provided for Rs.61.34 Lacs (Rs.74.62 Lacs).
- 7) Hon'ble BIFR while discharging the Company from SICA vide order dated 16.06.2011 has ordered to implement the unimplemented portion of the Sanctioned Scheme as yet by all concerned. The unimplemented portion of the Sanctioned Scheme is as under:

	Rs in Lacs	
	2010-2011	2009-2010
Recovery of Special Capital Incentives and interest thereon by Government of Maharashtra	167.81	136.43
Past and future interest on the sales tax deferral dues of the resulting Company Machhar Industries Limited as mentioned in 6 b above	1553.50	1066.4

8. **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	11.46	10.47	---	--	11.46	10.47
ii. Perquisites	3.67	1.55	---	0.36	2.00	1.91
iii. Leave Encashment		--	---	0.93		0.93
iv. Contribution to P.F.	0.09	0.09	---	--	0.09	0.09
v. Gratuity	---	--	---	5.61	---	5.61
TOTAL	15.22	12.11	---	6.90	13.55	19.01

*The approval of central government is subjective, needs some clarification. The management of the Company is pursuing the matter and clarification is awaited. In view of this the remuneration provided as per schedule XIII of the Companies Act 1956 on the basis of effective capital. The calculation of effective capital on the basis of audited financial statement as on 31.03.2010 is as under:

- a) Share Capital 330.40
b) Securities Premium Account 480.90
c) Reserve and Surplus 604.80
d) Long Term Loans from Banks 541.11
e) Accumulated Losses (887.88)
f) Investments (2.46)
Total Effective Capital 1,067
9. Certain statutory requirements and records are in the process of their compilation / up-dation.
10. 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.8.07 Lac (Rs. 7.93 Lacs)
11. **Deferred Income Taxes:**
c. The company is having carried forward losses amounting to Rs.1,169.69 Lacs (Rs.887.88 Lac) as per books of accounts and also as per the Income tax 1961, which is equivalent or more than book loss.
d. 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.
12. 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.
13. Capital reserve represents the amount of principal waiver by the bank and financial institutions.
14. The outstanding balances of Debtors, Creditors and Loans & Advances (taken and given), balances with various statutory / fiscal authorities (assets & Liabilities) i.e. excise deposits / balances, VAT / Sales Tax dues, TDS / TCS are subject to confirmation, reconciliation and consequent adjustments, if any. The difference as may be noticed on reconciliation will be duly accounted for on completion thereof. In the opinion of the Management the ultimate difference will not be material.
15. Prior-period expenditure amounting to Rs. 21.98 Lacs (Rs. 1.37 Lac) debited during the year and Rs. 5.44 Lacs (Rs. 1.86 Lac) income credited during the year. The Details are as under.

Sr. No.	Particulars	Expenses		Income	
		Current Year	Previous Year	Current Year	Previous Year
01.	Interest & Bank Charges	0.06	0.47	0.91	0.48
02.	Salary	0.62	0.90	0.53	0.47
03.	Professional Fess	1.09	---	0.24	--
04.	Exhibition Expenses	17.58	---	0.23	--
05.	Others	1.09	---	0.89	0.01
06.	Purchase, Repair	1.11	---	1.09	0.90
07.	Electricity Expenses	0.43	--		
08.	Travelling Expenses	---	--	1.98	--
	TOTAL	21.98	1.37	5.87	1.86

16. **Earning Per Share:**
The basic and diluted EPS is calculated as under:

Particulars	Current Period	Previous Period
Profit/(loss) attributable to Equity Share Holders	2,81,80,816	1,66,42,358
Weighted average number of Equity Shares of Rs.10 Each	4188124	2763467
Earning per share (considering extra ordinary items)	-6.73	-6.02
Earning per share (without considering extra ordinary items)	-8.29	-6.02

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

	CHIKALTHANA	NANDRABAD	PHAROLA	LAKSAR
	Ammonium Nitrate	Emulsion matrix and pre-emulsion matrix	Co-extruded tubes	Co-extruded tubes
	31.03.2011	31.03.2011	31.03.2011	31.03.2011

	(31.03.2010)	(31.03.2010)	(31.03.2010)	(31.03.2010)
	Qty. in MT	Qty. in MT	Qty. in Lacs	Qty. in Lacs
Licensed Capacity	N/A	5000.00	760.00	800.00
	(N/A)	(5000.00)	(760.00)	Nil
Installed Capacity	13000.00	5000.00	740.00	800.00
	(13000.00)	(5000.00)	(740.00)	Nil
Production	NIL	NIL	287.78	122.61
	(NIL)	(NIL)	(382.64)	0.86
Sales	NIL	NIL	288.19	120.63
	(NIL)	(NIL)	(381.52)	(0.86)
Job-Work	NIL	NIL	NIL	NIL
	(NIL)	(NIL)	(NIL)	Nil
Op. Stock	NIL	NIL	1.24	Nil
	(NIL)	(NIL)	(0.12)	Nil
Rs. In Lacs	NIL	NIL	3.76	Nil
	(NIL)	(NIL)	(0.40)	Nil
Cl. Stock	NIL	NIL	0.84	1.98
	(NIL)	(NIL)	(1.24)	Nil
Rs. In Lacs	NIL	NIL	2.85	6.33
	(NIL)	(NIL)	(3.76)	Nil

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.)	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
I). HDPE/LLDPE/LDPE/PP	555.19	510.70	395.70	422.27

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

	31/03/2011 Value	%	31/03/2010 Value	%
I). RAW MATERIAL				
IMPORTED	285.34	37.44	186.57	33.05
INDIGENOUS	476.71	62.56	377.95	66.95
TOTAL	762.05	100.00	564.53	100.00
II). SPARE PARTS AND COMPONENTS				
IMPORTED	20.01	21.68	38.06	58.36
INDIGENOUS	72.27	78.32	27.15	41.64
TOTAL	92.27	100.00	65.21	100.00

D. INCOME/EXPENDITURE IN FOREIGN CURRENCY:

PARTICULARS	31/03/2011	31/03/2010
I) Earning in Foreign Exchange	526.97	826.70
II) CIF value of Imports of Material	309.17	248.86
III) Expenditure in Foreign currency Traveling, Exhibition, Technical, Drawing and Design	34.52	47.37
IV) Capital Equipments	349.34	356.47

18. Previous period figure have been regrouped and rearranged/recast wherever necessary. Figure in brackets related to previous year. All amounts appears in this schedule are rupees in lacs.

**AS PER OUR REPORT ANNEXED
FOR RATHI & BANGAD
FIRM REGN. NO. 108702W
CHARTERED ACCOUNTANTS**

**ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR**

**DILIP JAIN
PROPRIETOR
M.NO. 044301**

**SANDEEP MACHHAR
DIRECTOR**

PLACE : AURANGABAD

**DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)**

DATE: 31-08-2011

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31/03/2011

	PARTICULARS	2010-2011 (Amount in Rs.)		2009-2010 (Amount in Rs.)	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	i) Profit/Loss after Tax & Extra Ordinary Items		(28,180,816)		(16,642,358)
	iii) Depreciation & Impairment	26,307,380		31,355,094	
	iv) Provision for Investments Reversed	(162,799)		-	
	v) Interest /Financial Charges	20,914,580		9,175,444	
	vi) Interest /Dividend Received	(10,252)		(9,451)	
	Total		47,048,909	-	40,521,086
	OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES ADJUSTMENT		18,868,093		23,878,729
	i) Trade and other Receivables	302,336		11,244,420	
	ii) Inventories	(8,257,488)		(2,152,835)	
	iii) Trade Payable	(9,728,599)	(17,688,751)	13,018,186	22,109,771
	iv) Cash generated from operations		1,184,342		45,988,500
	v) Interest paid/Financial Charges	20,914,580	20,914,580	9,175,444	9,175,444
	NET CASH FROM OPERATING ACTIVITIES (TOTAL A)		(19,730,238)		36,813,056
B	NET FLOW FROM INVESTMENT ACTIVITIES				
	i) Purchase of Fixed Assets	30,101,991		163,460,214	
	ii) Sale of Fixed Assets	-		-	
	iii) Interest/Dividend Received	(10,252)	30,091,739	(9,451)	163,450,763
	NET FLOW FROM INVESTMENT ACTIVITIES [TOTAL B]		(30,091,739)		(163,450,763)
C	CASH FLOW FROM FINANCIAL ACTIVITIES				
	i) Proceeds From Long Term Financing	86,852,117		65,418,688	
	ii) Proceeds From Short Term Financing	22,324,226		7,613,401	
	iii) Payment of Long Term Borrowings	(14,920,741)		(7,550,000)	
	iv) Payment of Deferral Credits	(16,326,348)		(7,250,000)	
	v) Deferred payment to Machine Suppliers	(28,011,708)		69,326,397	
	NET FLOW FROM FINANCIAL ACTIVITIES [TOTAL C]		49,917,546		127,558,486
	CLOSING BALANCE [A+B+C]		90,570		920,779
	CASH AND BANK EQUIVALENT OPENING BALANCE		3,017,902		2,096,558
	CASH AND BANK EQUIVALENT CLOSING BALANCE		3,113,472		3,017,902

AS PER OUR REPORT ANNEXED
FOR RATHI & BANGAD
FIRM REGN. NO. 108702W
CHARTERED ACCOUNTANTS

DILIP JAIN
PROPRIETOR
M.NO. 044301

PLACE : AURANGABAD
DATE: 31-08-2011

FOR AND ON BEHALF OF THE BOARD

ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR

SANDEEP MACHHAR
DIRECTOR

DEEPAK KHANDELWAL
GENERAL MANAGER (F&A)

Apt Packaging Limited

Regd. Office: J-18, MIDC, Chikalthana, 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 31st ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30th day of September, 2011 at 11:30 AM

Signed this.....day of2011.

Affix
15 Paise
Revenue
Stamp

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: J-18, MIDC, Chikalthana, Aurangabad (MS) - 431105

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence of the 31st Annual General Meeting of Apt Packaging Limited at Registered Office: Regd. Office: J-18, MIDC, Chikalthana, Aurangabad (MS) – 431105 on Friday, the 30th day of September, 2011 at 11:30 AM

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.



APT PACKAGING LTD

31st ANNUAL REPORT 2011