



**APT PACKAGING LTD**

**32<sup>nd</sup> ANNUAL REPORT 2012**

**BOARD OF DIRECTORS :**

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

**AUDITORS**

: M/S RATHI & BANGAD

Chartered Accountant, Aurangabad

**BANKERS**

: PUNJAB NATIONAL BANK

**REGISTERED OFFICE**

: J-18, MIDC AREA, CHIKALTHANA,

AURANGABAD- 431 006,

Website: <http://www.aptpackaging.in>

**LOCATION OF PLANT**

: **CO-EXTRUDED TUBES DIVISION**

1. Gut No. 72, Village Pharola, Post Beedkin, Tq.-Paithan, Dist. - Aurangabad – 431 105 (MS).
2. Khasra No 529,5<sup>th</sup> KM Stone, Akabarpur Urd, Laksar-Haridwar Road, Laksar, Dist:- Haridwar (Uttarakhand)

**REGISTRAR AND TRANSFER AGENT**

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

**Notice of Annual General Meeting**

**NOTICE** is hereby given that the 32<sup>nd</sup> **Annual General Meeting** of the members of **Apt Packaging Limited** will be held on Saturday, the 29th day of September, 2012 at 11:30 AM at the registered office of the Company situated at J-18, MIDC Area, Chikalthana, Aurangabad – 431 006 (MS) to transact the following business:

**ORDINARY BUSINESS**

1. To consider, approve and adopt the Balance Sheet of the Company as on 31<sup>st</sup> March, 2012 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. Ghevarchand M. Bothara, 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 the provision of section 23 and other applicable provision of the Sick Industrial Companies (Special Provision) Act 1985 (SICA) and other applicable acts, Board of Directors of the Company be and is hereby authorized for taking appropriate action as per the provision of SICA.”

5. **To consider and if thought fit to pass with or without modification, the following resolution as special resolution:**

“**RESOLVED THAT** subject to the provisions of section 198, 269, 309 and other applicable provisions of the Companies Act, 1956 the approval of the company be and is accorded to the reappointment of Mr. Arvind Machhar, as Managing Director of the company for a period of three years effective from 27<sup>th</sup> June, 2012 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 condition, including remuneration subject to the eligibility for appointment within the maximum limit prescribed under Part I and Part II Paragraph of Schedule XIII of the Companies Act, 1956, as amended from time to time.

**RESOLVED FURTHER THAT** the above remuneration will be paid to Mr Arvind Machhar as a minimum remuneration even if the Company's profits are inadequate or it has no profits in any financial year.”

**By order of the board**

**Sd/**

**Arvind Machhar**

**Chairman cum Managing Director**

**Date: 13.08.2012**

**Place: Aurangabad**

**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 25<sup>th</sup>, 2012 to September 29<sup>th</sup>, 2012 (both days inclusive).
- 3) The members are requested to intimate to Share Transfer Agent of the Company, changes, if any, in their registered address at an early date and bring the copy of the Annual Report and attendance slip at the Annual General Meeting.
- 4) In all correspondence with the Company/Registrars, members are requested to quote their registered folio number.
- 5) All the documents referred to in accompanying notice are open for inspection at the Registered Office of the company on all working days except Sunday and Holidays between 11.00 a.m. to 5.00 p.m. up to the date of Annual General Meeting.
- 6) Section 109A of the Companies Act, 1956, has introduced provisions for nominations by the holders of shares. The prescribed nomination forms can be obtained from the Company's Registrar and Share Transfer Agent, in case of shares. The Members may take advantage of this facility, if needed.

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

**ITEM NO:4**

Section 23 of the Sick Industrial Companies (special Provision) Act, 1985 provides that if the accumulated losses of an industrial company, as at the end of any financial year, have resulted in erosion of 50% or more of its peak net worth during the immediately preceding four financial years, such company, within a period of 60 days from the date of finalization of duly authorized audited accounts of the company for the relevant financial year:-

- Hold a general meeting of the shareholder for considering such erosion.
- Forward to every member of the company a report of Board of directors as to such erosion and the causes for the erosion and
- Report the fact of such erosion to BIFR.

The shareholders are informed that at the end of Company's financial year on 31<sup>st</sup> March, 2012, the company has incurred losses of Rs. 341.30 Lacs and the net worth has further reduced by this amount. This has resulted in erosion of net worth as on 31.03.2012 to Rs.155.12 Lacs resulting in erosion of more than 50% as against the company's peak net worth during the immediately preceding four financial years.

The Board of Directors has reported erosion in the peak net worth of the company and the causes for such erosion in their Report attached.

**ITEM NO: 5**

Mr. Arvind Machhar was appointed as Managing Director of the company in the 30<sup>th</sup> Annual General Meeting dated 10<sup>th</sup> July 2010 for a period of three years with effect from 28<sup>th</sup> June 2010 to 27<sup>th</sup> June 2013 on the terms and condition including remuneration set out in the agreement entered in to between the company and Mr. Arvind Machhar. The central government had approved for remuneration for two years effective from 28/06/2010 to 27/06/2012 vide their letter 31<sup>st</sup> May, 2011 as against the application for three years. In recognition of his exposures and experience, the Board of Directors have reappointed him as Managing Director on new terms and Condition and fix the remuneration for further period of three years effective from 27/06/2012 subject to approval of the members.

**REMUNERATION:**

1. Salary : Rs 1,25,000-10,000-1,45,000
2. Perquisites as follows:
  - a. House Rent Allowance @ 10% of salary per month
  - b. Reimbursement of Medical Expenses incurred for self & family subject to ceiling of one month salary every year
  - c. Leave Travel Assistance for self & family once in a year subject to ceiling of one month salary every year
  - d. Company's contribution to Provident Fund in accordance with the rules of company
  - e. Superannuation Fund or Annuity Fund in accordance with the rules of company
  - f. Gratuity at the rate of half month's salary for each completed year of services
  - g. Encashment of un-availed leave at the end of tenure as per rules of Company
  - h. Provision of telephone at residence, however personal long distance calls shall be paid by him

Your director recommends the resolution to pass ordinary resolution.

Mr. Arvind Machhar, Mr. Nawnit Machhar, Mr. Ravi Machhar, Mr. Sandeep Machhar are interested 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.

**ANNEXURE - A****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 Balance Sheet attached
5. Export performance and net foreign exchange collaborations: 317.38 Lacs for the FY 2011-12 and 526.97 Lacs for the FY 2010-11.
6. Foreign investments or collaborators, if any: Not applicable

**II. INFORMATION ABOUT THE APPOINTEE-**

1. Background details: Graduate in Science and acquired MBA from well known Harvard School of Management, Boston, U.S.A. and hold position as Director in Six Companies.
2. Past Remuneration: 1,25,000/- Per Month
3. Recognition or awards: NIL
4. Job profile and his suitability: Served in APT Packaging Ltd as a Chairman Cum Managing Director and has vast industrial experience of 30 years. Looking into his vast experience in running the packaging industry, your directors found his suitability of company.
5. Remuneration proposed: As per Explanatory statement for resolution no.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.r.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

Sr. No	Name of the Director	Shareholding of Directors	% of total shareholding
1	Mr. Arvind Machhar	7,65,508	14.54
2	Mr. Nawnit Machhar	51,572	1.17
3	Mr. Sandeep Machhar	86,922	0.97
4	Mr. Ravi Machhar	64,668	1.65

**III. OTHEE INFORMATION:**

1. Reason of loss or inadequate profits: As Reported in Directors Report attached herewith under the performance review and operational performance.
2. Steps taken or proposed to be taken for improvements: As Reported in 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 50% and 250% respectively during the year 2012-13 as compared to the financial year 2011-12.

**IV. DISCLOSURES:**

1. The shareholders of the company shall be informed of the remuneration package of the managerial person: As per Explanatory statement attached in this notice of the meeting.
2. The following disclosure shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, 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 Second Annual Report on the performance of the company for the financial year ended on 31<sup>st</sup> March'2012.

**1. FINANCIAL RESULTS**

PARTICULARS	(Rs in Lacs)	
	YEAR ENDED ON 31.03.2012	YEAR ENDED ON 31.03.2011
Sales and other Income	2,231.63	2,071.72
<b>Less:</b> Operating Expenses	2,073.24	1,930.40
Profit before Interest and Depreciation	<b>158.39</b>	<b>141.31</b>
<b>DEDUCTIONS</b>		
Interest	354.25	209.15
Depreciation & Impairment	281.80	263.07
<b>Operational Profit/(Loss) before Tax</b>	<b>(477.66)</b>	<b>(330.92)</b>
Previous Year Income / Expenses	6.24	(16.11)
Net Profit / (Loss)	<b>(471.42)</b>	<b>(347.01)</b>
Extra ordinary items -Waiver of Interest by Financial Institution	130.12	65.20
Income Tax	-	-
<b>NET PROFIT FOR THE YEAR</b>	<b>(341.30)</b>	<b>(281.81)</b>

**2. PERFORMANCE REVIEW**

During the year under the review, the sales and other income is Rs 2,231.63 lacs against Rs 2,071.72 lacs in the previous year. The Exports during the year declined from the previous year due to market conditions, overseas, during the year, the new plant at Uttarakhand, though has improved its performance but could not achieve its full capacity due to various reasons. Increase in Raw materials, Increase in overheads and Interest costs therefore have increased the operational costs, where as the price realization due to stiff competition has remained stagnant. This has resulted into low operational margins. Due to low operational margins and underutilization of Uttarakhand plant have further increased the losses during the year.

**3. OPERATIONAL PERFORMANCE**

During the year under review 446.01 lacs tubes were dispatched as compared to previous year dispatch of 408.82 lacs tubes. The new plant at Uttarakhand is gradually normalizing. Further Management has taken effective steps to add on the capacity at Uttarakhand plant and replace some of the key machines which have become obsolete at Aurangabad plant. The effect of all these initiatives will be fully reflected during the performance of the Financial Year 2012-1013.

**4. DIVIDEND:**

In view of unavailability of the profits, the Board of Directors expresses its inability to declare any dividend for the year ended 31<sup>st</sup> March 2012.

**5. FIXED DEPOSIT:**

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

**6. INSURANCE:**

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

**7. DIRECTOR**

Shri. G. M Bothara, Director of the Company is retiring by rotation and being eligible to offer himself for re-appointment. The Board recommends his re- appointment.

**8. 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.

**9. 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.

**10. 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.

**11. 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 program me at its manufacturing facility.

**12. 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 checkups and counseling to ensure fitness of its employees.

**13. AUDITORS' OBSERVATIONS:**

Refer Point No.2(f, g & h) of the Auditors Report are self explanatory and needs no comment:

**Refer Point No.2(i)** 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.40.

**Refer Point No. 3** of the Auditors Report: In respect of contingent liability as mentioned in note number 36, 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.36.

**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.37

**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.9.

#### 14. SUBSIDIARY COMPANY

During the year the company has disposed of all the shares held in erstwhile subsidiary company M/S Navneet Machines Manufacturing Company Ltd, therefore the statement pursuant to section 212 of the Companies Act, 1956 in respect of M/s the erstwhile subsidiary company is no further needed or appended to the Balance Sheet as the company ceased to remain the subsidiary. Refer Note Number 35.

#### 15. 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.

#### 16. 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.

#### 17. 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.

#### 18. 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.

Total energy consumption and per unit of production as prescribed form A:

#### A: POWER AND FUEL CONSUMPTION:-

ELECTRICITY	(Rs.in Lakhs)	
	CURRENT YEAR	PREVIOUS YEAR
(a) Purchased from MSEDCL / UPCL	109.01	94.16
(b) Own Generation Through Diesel - Cost	20.57	25.89
<b>Total Amount</b>	<b>129.58</b>	<b>120.05</b>

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. 418.30 lacs for the year under review, whereas the outgo is Rs. 937.65 lacs.

#### 19. ACKNOWLEDGEMENT

The Board of Directors 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

Sd/-

ARVIND MACHHAR

CHAIRMAN CUM MANAGING DIRECTOR

PLACE: AURANGABAD

DATE: 13-08-2012

**REPORT ON EROSION OF THE NET WORTH OF THE COMPANY**

Since the net worth of the company during the Financial Year has eroded more than 50% from the peak net worth in immediately four preceding Financial years, the Company therefore is complying with the compliances of Section 23 of Sick Industrial Companies Act accordingly a report is being annexed in this balance sheet for consideration of share holders.

**EROSION IN PEAK NET WORTH OF THE COMPANY:**

Peak Net Worth during the preceding Four Financial years	Rs 694.65 Lacs
Net worth as on 31.03.2012	Rs 155.11 Lacs
Erosion in the Net Worth of the company	More than 50%

**CAUSES FOR EROSION**

The external factors contributing for erosion in Net Worth during last four years as under:-

- Adverse market conditions, overseas,
- Recognition of impairment losses in the accounts in the year 2009-2010
- The new plant at Uttarakhand, though has improved its performance but could not achieve its full capacity due to various reasons.
- Low productivity of old obsolete plant at Aurangabad.
- Increase in Raw materials, Increase in overheads and Interest costs therefore have increased the operational costs,
- The price realization due to stiff competition has remained stagnant. This has resulted into low operational margins.
- Due to low operational margins and underutilization of Uttarakhand plant have further increased the losses.
- Volatility in foreign exchange rates.

**BY ORDER OF THE BOARD**

Sd/-

**ARVIND MACHHAR**

**CHAIRMAN CUM MANAGING DIRECTOR**

**CORPORATE GOVERNANCE REPORT FOR THE F Y ENDED 31<sup>ST</sup> MARCH, 2012**  
(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:	Executive/Non-Executive/Independent*	No. of other Directorship#	Membership Committees/ Chairmanship
Shri Arvind Machhar, CMD	Executive	Five	1/0
Shri Sandeep Machhar, Director	Non-executive	Six	NIL
Shri Ravi Machhar, Director	Non-executive	Eight	NIL
Shri Nawnit Machhar, WTD	Executive	Ten	NIL
Shri Gheverchand Bothara, Director	Non-executive (Indep.)*	Two	2/2
Shri Balaprasad Tapdiya, Director	Non-executive (Indep.)*	Three	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:

- (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.
- (c) It has not been an executive of the company in the immediate preceding three financial years.
- (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) 30<sup>th</sup> April 2011 (2) 13<sup>th</sup> August, 2011 (3) 31<sup>st</sup> August, 2011 (4) 30<sup>th</sup> September, 2011 (5) 8<sup>th</sup> November, 2011 (6) 14<sup>th</sup> February 2012. The attendance at the Board Meetings and previous Annual General Meeting as under:

Name of Director	Attendance	
	Board Meeting	AGM / EGM
Shri Arvind Machhar	6	1
Shri Nawnit Machhar*	3	1
Shri Sandeep Machhar	5	1
Shri Ravi Machhar	4	1
Shri G. M. Bothara	6	1
Shri B.H. Tapdiya	6	1

- Attendance of BODM & AGM by Shri Nawnit Machhar to be considered since 31.08.2011, due to effective date of his appointment.

**3. AUDIT COMMITTEE**

During the financial year 2011-12, five meetings were held on the following dates:

- (1) 30<sup>th</sup> April 2011 (2) 13<sup>th</sup> August, 2011 (3) 31<sup>st</sup> August 2011 (4) 8<sup>th</sup> November, 2011 (5) 14<sup>th</sup> February 2012.

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	Five
Shri B. H. Tapdiya*	Member	Non-executive / Independent	Consultant	Five
Shri Arvind Machhar	Member	Executive	Industrialist	Five

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 30<sup>th</sup> September, 2011. 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:

1. 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;
2. To review compliances with internal control system;
3. To review quarterly, half yearly and annual financial results of the Company before submission to the Board;
4. 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 2011-2012, one meeting was held on 16<sup>th</sup> June, 2011 which was attended by Shri G.M.Bothara and Shri. B.H.Tapdiya as the members of the committee.

Details of remuneration paid/payable to directors for the year ended March 31, 2012 are as follows: Rs.In Lacs

Director	Relation-ship with other directors	Business relation-ship with APL	Loans and advances from APL	Sitting fees* Rs.	Salary and Perquisites Rs.	Commission Rs.	Total
Shri Arvind Machhar	Related to Shri Sandeep Machhar	Promoter	NIL	Nil	16.53	Nil	16.53
Shri Nawnit Machhar	Related to Shri Arvind Machhar	Promoter	NIL	NIL	3.93	Nil	3.93
Shri Sandeep Machhar	Related to Shri Arvind Machhar	Promoter	Nil	0.04	Nil	Nil	0.04
Shri Ravi Machhar	Related to Shri Arvind Machhar	Promoter	NIL	0.03	NIL	NIL	0.03
Shri G.M. Bothara	None	Professional	Nil	0.10	Nil	Nil	0.10
Shri B.H. Tapdiya	None	Professiona	Nil	0.10	Nil	Nil	0.10

**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:

- 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.
- To consider and approve transfer of shares, dematerialization of shares deletion of name, splitting and consolidation of shares etc.
- 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 2011-12 one meeting was held on 26<sup>th</sup> October, 2011 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
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 - 431 006	One
Thirty First	30/09/2011	11.30 am	J-18, MID Area, Chikalthana, Aurangabad - 431 006	Two

- All the special resolutions indicated above were passed by show of hands as they are ordinary Special Resolution.
- 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 32 forming part of the Accounts for the year ended 31<sup>st</sup> March, 2012.
- 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 G.M.Bothara is liable to retire by rotation and being eligible offered him for re-appointment. He is Commerce graduate having vast knowledge of Income Tax, Excise, Sales Tax and allied matters.

**9. MEANS OF COMMUNICATION**

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

**10. GENERAL SHAREHOLDER INFORMATION****a) Annual General Meeting**

- \* Date, Day and Time
- \* Venue

: Saturday, September 29<sup>th</sup>, 2012 at 11.30 AM  
: J-18, MIDC, Chikalthana, Aurangabad (MS)

**b) FINANCIAL CALENDER**

The financial year of the company is April, 2011 to March, 2012. Financial reporting for

- Quarter ending June 30, 2011	: Last week of July, 2010
- Half year ending September 30, 2011	: Second week of November, 2011
- Quarter ending December 31, 2011	: Second week of February, 2012
- Year ending March 31, 2012	: Second week of May, 2012

**ANNUAL GENERAL MEETING**

For the year ending March 31, 2012 : September 29<sup>th</sup>, 2012

c) **Date of book closure** : September 25<sup>th</sup>, 2012 to 29<sup>th</sup> September, 2012 (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) **Scip Code:** The script 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)

**g) Market Price Data:**

The trading in the shares of the Company was suspended since 15.04.2008 due to record date of 30.04.2008 fixed for issue of new shares post capital reduction, de-merger and consolidation of shares. The Company has made application to Bombay Stock Exchange for listing of the new equity shares. This application is under consideration of the exchange and the listing is awaited. In view of the same, the trading of the shares of the Company was not done during the year, hence no high & low price of shares is available.

**h) Registrar and Transfer Agents:**

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

**i) Share Transfer System:**

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

**j) Distribution of Shareholding as on 31<sup>st</sup> March, 2012 is as given below:**

Slab of Shareholding	Shareholders	% to total	Shares Amount	% to total
Up to 500	9981	97.6137	7152120	13.5882
501 to 1000	101	0.9878	691280	1.3134
1001 to 2000	42	0.4108	639900	1.2157
2001 to 3000	16	0.1565	413360	0.7853
3001 to 4000	10	0.0978	350860	0.6666
4001 to 5000	11	0.1076	506680	0.9626
5001 to 10000	16	0.1565	1212580	2.3038
10001 and above	48	0.4694	41667890	79.1643
<b>TOTAL</b>	<b>10225</b>	<b>100.00</b>	<b>52634670</b>	<b>100.00</b>

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

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that any delivery in the Company's shares against stock exchange trades became compulsory in d-mat format. As on 31/03/2012, 1, 04,219 equity shares (3.78%) of the total number of shares) have been dematerialized. The new shares in the dematerialized form are yet to be issued after allotment of new ISIN number by CDSL which is pending for the receipt of in principal approval from BSE.

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

m) **Plant Locations:** The Companies plant for co-extruded tube is located at Gut No.72, Village Pharola, Tq.-Paithan, Dist.-Aurangabad (MS)-431105 & Khasra No 529, 5<sup>th</sup> KM stone, Akabarpur Urd, Laksar-Haridwar Road, Laksar, Dist-Haridwar, (Uttarakhand)

**n) Address for correspondence:**

M/s Apt Packaging Limited  
J-18, MIDC Area, Chikalthana, Dist. – Aurangabad – 431 006 (MS)  
Tel No.: 0240-6642000/ 638 Fax. : 0240-2485027  
Email ID : [deepakhandelwal@aptpackaging.in](mailto:deepakhandelwal@aptpackaging.in) & [csoffice@aptpackaging.in](mailto:csoffice@aptpackaging.in)  
Website : [www.aptpackaging.com](http://www.aptpackaging.com)

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

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

**11. POWER AND FUEL CONSUMPTION**

During the year the use of Power and Fuel for the operation and production of the product of the company is Rs.129.59.

**12. MANAGEMENT DISCUSSION & ANALYSIS REPORT****INDUSTRIES STRUCTURE AND DEVELOPMENT**

Non Collapsible Co-Extruded plastic tubes manufactured by the Company are used for the packaging of cosmetics. The Cosmetic Industry is continuously growing domestic as well as in the overseas market therefore the demand of Non Collapsible seamless plastic tubes are ever increasing and are also likely to increase in near future.

**OPPORTUNITIES AND THREATS**

Our Plant in Utrakhland near Haridwar is strategically located due to which our product becomes cost competitive .Being operating at two locations We have better proximity market. Increase in competition depreciation of Rupee and increase in interest cost are cause of concern during the year. Further overall economic outlook globally as well as domestic is also not likely to be encouraging during the year

**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 31<sup>st</sup> March 2012.

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]**

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

**Date: 13 / 08 / 2012  
Place: Aurangabad**

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

We have audited the attached Balance Sheet of **APT PACKAGING LIMITED** as at 31<sup>st</sup> March 2012, 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. 'h and i' 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 31<sup>st</sup> March 2012 from being appointed as a Director under section 274(1) (g) of the Companies Act, 1956.
  - f) *During the year under audit the Company has disposed off its entire investment at cost in subsidiary Navneet Machine Manufacturing Co. Ltd and hence the same become cease as subsidiary and accordingly the financial results of that erstwhile subsidiary company has not been incorporated for the year and as such no consolidated financial statement has been prepared and presented ( Refer Note No. 35.)*
  - g) *During the year under audit, the company has discontinued its operations other than packaging industries i.e. chemical divisions Chikalthana and Nandrabad being units activities were suspended for more than twelve years and also the business of Garments division as there is no synergy with main activity. (Refer Note No. 30.)*
  - h) *The profit on sale of fixed assets of discontinued chemical division amounting to Rs.130.12 Lacs Net of loss of Rs.4.01 Lacs has been disclosed as an extra ordinary item on the face of financial statement. (Refer Note no.30 and 34)  
The profit and loss of Discontinued Garment division has not been separately shown on the face of the financial statement. According to the information and explanations given by the management the turnover of this division is of Rs.9.47 Lacs for the year which is not material and no hence no attempt is made to disclose as separate item. (Refer Note no.31)*
  - i) *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. 40.)*
- 3) In our opinion Subject to what is stated in **point no h and i 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.36 regarding contingent liability, Note no.37 regarding unimplemented portion of BIFR's Sanctioned scheme and Note no. 9 regarding balances etc with Micro, Small and Medium enterprises respectively (for details refer said notes) 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 31<sup>st</sup> March, 2012 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]**

Date: 13 / 08 / 2012  
Place: Aurangabad

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

**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. During the year, the Company has disposed off its entire assets (freehold land, building, Plant and Machinery etc.) Of waterproofing and emulsified anfo/emulsion matrix division situated at Nandrabad Dist Aurangabad as well as the Plant & Machinery of ammonium nitrate division situated at Chikalthana, Aurangabad both known as chemical division. According to information and explanations given by the management that the operations of the said divisions were suspended for more than twelve years, the chemical division was demerged in consideration of the sanctioned scheme by the BIFR, the business activities pertain to these divisions are discontinued and to concentrate on main activity of the company it disposed off the assets.  
In view of above, we are of the opinion that the disposal off of the said fixed asset does not affect the overall going concern status of the company.
- 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 three directors, six shareholders, two 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 and as per banker's clause. The maximum amount involved during the year is Rs. 777.42 lacs and the year end balance of loans taken from such parties was Rs. 777.42 lacs.  
b. The company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
c. According to the information and explanation given to us, out of the above loan amount of Rs. 105.08 Lacs is Interest free and balance Rs.672.34 Lacs is interest bearing. For interest bearing unsecured loans the interest is provided. The said loan is repayable on demand subject to prior permission of Panjab National Bank as per banker's clause. The terms and conditions of these loans are not prejudicial to the interests of the company.  
d. The company is regular in repaying the loan amount and interest whenever applicable and as stipulated.
- 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.42.72 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	40.38
Property Tax	2.25
TDS	00.09

- b. As at 31<sup>st</sup> March 2012 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) During the financial year the company has been discharged as Sick Company by The Board of Industrial and Financial Restructuring( BIFR ) vide its order dated 16<sup>th</sup> June 2011 on companies net worth becoming positive as on 31.03.2011. The company has accumulated losses exceeding more than 50% of its net worth as on March 31, 2012. The Company has suffered cash losses amounting to Rs.59.50 Lacs during the financial year covered by our audit and there was a cash loss in the financial year immediately preceding current financial year amounting to Rs.18.77 Lacs.
- 11) Based on our audit procedures and on the information and explanations given by the management, the company has delayed repayment of loans to banks in respect of term loans. The following are the delays.

Particulars	Amount in Lacs	Period of delays
Term Loans	416.60	Up to 60 days.

As at the year end, these delays have been rectified and hence no delays exist as at March 31, 2012.

- 12) According to the information and explanations given to us and records of the company, the company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and securities. According to the provisions of clause 4(xii) of the Companies (Auditors Report) order, 2003 the same are not applicable to the Company.
- 13) In our opinion, the company is not a Chit Fund or a Nidhi / Mutual benefit fund/Society. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditors Report) order, 2003 are not applicable to the Company.
- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other instruments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) order, 2003 are not applicable to the Company.
- 15) In accordance with the sanctioned scheme of Demerger and the order of Honorable BIFR, for resulting company, the company has given Guarantees to banks and other creditors for their respective outstanding balances as on cut off date i.e. 01.04.2007 in case if the resulting company fails to pay or shortfall to pay the same. 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. 399.36 lacs as on 31.03.2012 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 not made any allotment of shares, hence the provisions of clause 4(xviii) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
- 19) According to the records of the Company, the company has not issued any debentures as per the provisions under clause 4(xix) of the Companies (Auditors Report) order, 2003.
- 20) The company has not raised any money by Public-issues during the period covered by our Audit report as per the provisions under clause 4(xx) of the Companies (Auditors Report) order, 2003.
- 21) During the course of our examination of the books records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

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

Dilip D. Jain  
Proprietor  
M. No. 044301

Date: 13 / 08 / 2012  
Place: Aurangabad

**APT PACKAGING LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH'2012**

		Rs. In Lacs		
		NOTE	AS AT 31.03.12	AS AT 31.03.11
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1)</b>	<b>SHARE HOLDERS FUNDS</b>			
	a) Share Capital	3	580.41	580.41
	b) Reserves and surplus	4	-425.29	-84.01
			<b>155.12</b>	<b>496.39</b>
<b>2)</b>	<b>NON-CURRENT LIABILITIES</b>			
	a) Long Term Borrowings	5	2,541.32	1,714.18
	b) Deferred Tax Liabilities	6	0.00	0.00
	c) Long Term Provision	7	40.10	35.93
			<b>2,581.42</b>	<b>1,750.11</b>
<b>3)</b>	<b>CURRENT LIABILITIES</b>			
	a) Short Term Borrowings	8	826.05	841.98
	b) Trade Payables	9	427.42	263.44
	c) Other Current Liabilities	10	650.62	802.11
	d) Short Term Provision	11	13.48	11.32
			<b>1,917.57</b>	<b>1,918.85</b>
	<b>TOTAL</b>		<b>4,654.12</b>	<b>4,165.35</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>NON-CURRENT ASSETS</b>			
	(a) Fixed Assets	12 & 27		
	i) Tangible Assets		3,418.55	3,245.59
	b) Non-Current Investments	13	3.09	4.09
	c) Long Term Loans and Advances	14	0.00	1.11
	d) Other Non-Current Assets	15	190.50	98.82
			<b>3,612.14</b>	<b>3,349.61</b>
<b>2</b>	<b>CURRENT ASSETS</b>			
	a) Inventories	16	360.85	347.25
	b) Trade Receivables	17	534.18	317.60
	c) Cash and Bank Balances	18	7.23	4.47
	d) Short Term Loans and advances	19	32.99	47.43
	e) Other Current Assets	20	106.73	98.99
			<b>1,041.98</b>	<b>815.74</b>
			<b>4,654.12</b>	<b>4,165.35</b>
<b>Refer Accompanying Notes to Financial Statements</b>				

AS PER OUR REPORT ANNEXED  
FOR RATHI & BANGAD  
FIRM REGISTRATION NUMBER 108702W  
CHARTERED ACCOUNTANTS

DILIP JAIN  
PROPRIETOR  
M.NO. 044301  
PLACE : AURANGABAD  
DATE: 13-08-2012

ARVIND MACHHAR - CHAIRMAN CUM MANAGING  
DIRECTOR

NAWNIT MACHHAR – WHOLE-TIME DIRECTOR

DEEPAK KHANDELWAL - GENERAL MANAGER (F&A)

**APT PACKAGING LIMITED**  
**STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31/03/2012**

		Rs. In Lacs	
	NOTE	AS AT 31.03.12	AS AT 31.03.11
<b>I</b>	<b>REVENUE</b>		
	Revenue from Operations	2,218.22	2,046.94
	Other Income	13.41	24.78
	<b>Total Revenue</b>	<b>2,231.63</b>	<b>2,071.72</b>
<b>II</b>	<b>EXPENSES</b>		
	Cost of Materials Consumed	983.95	882.95
	Changes in Inventories of Finished Goods and Work-in-Progress	-21.72	-36.27
	Employee Benefits Expenses	327.08	287.74
	Finance Cost	354.25	209.14
	Depreciation and Amortisation Expenses	281.80	263.07
	Other Expenses	783.93	796.01
	<b>TOTAL EXPENSES</b>	<b>2,709.29</b>	<b>2,402.64</b>
<b>III</b>	<b>Profit / (Loss) Before Exceptional &amp; Extraordinary Items and Tax</b>	<b>(477.66)</b>	<b>(330.92)</b>
	Prior Period Income/(Expenses)	6.24	(16.11)
<b>IV</b>	<b>Exceptional Items</b>	130.12	65.20
<b>V</b>	<b>Profit / (Loss) Before Tax</b>	<b>(341.30)</b>	<b>(281.83)</b>
<b>VI</b>	<b>Tax Expenses</b>	-	-
<b>VII</b>	<b>Profit / (Loss) After Tax for the Year</b>	<b>(341.30)</b>	<b>(281.83)</b>
<b>VIII</b>	<b>Earning Per Share:</b>		
	Par Value per Share Rs. 10/-		
	a) Basic	-6.48	-5.35
	b) Diluted	-6.48	-6.73
<b>Refer Accompanying Notes to Financial Statements</b>			

AS PER OUR REPORT ANNEXED  
FOR RATHI & BANGAD  
FIRM REGISTRATION NUMBER 108702W  
CHARTERED ACCOUNTANTS

DILIP JAIN  
PROPRIETOR

M.NO. 044301  
PLACE : AURANGABAD

DATE: 13-08-2012

ARVIND MACHHAR - CHAIRMAN CUM MANAGING  
DIRECTOR

NAWNIT MACHHAR – WHOLE-TIME DIRECTOR

DEEPAK KHANDELWAL - GENERAL MANAGER  
(F&A)

**NOTES TO FINANCIAL STATEMENTS****NOTE NO.1: HISTORY:**

Apt Packaging limited established in 1980 (earlier known as Anil Chemicals and Industries Limited till 19.06.2008) engaged in manufacturing of co extruded plastic tubes used for packaging. The facility was set up in the Aurangabad, Maharashtra in the year 1996 and a new unit has been put up in the state of Uttarakhand in the year 2010. The new unit is eligible for various incentives of excise, income tax and other for a period of 10 years. The chemical division of the Company was de-merged into a new Company in the year 2008.

**NOTE NO.2: 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, Depreciation, Amortization and impairment:**

- 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.
- x) 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.

**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**

- 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) Misc. Expenditures:**

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

**k) Prior period items etc.**

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

**l) 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.

**m) Taxes on Income:**

- i) 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.
- ii) 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.

**n) 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.

Rs. In Lakhs

<b>NOTE NO.3: SHARE CAPITAL</b>	<b>AS AT 31.03.12</b>	<b>AS AT 31.03.11</b>
<b>AUTHORISED:</b> 1,00,00,000 Equity Shares of Rs.10 each	<b>1,000.00</b>	1,000.00
<b>ISSUED:</b> 60,36,417 (60,36,417) Equity shares of Rs.10/- each (UN SUBSCRIBED SHARES 36702)	<b>603.64</b>	603.64
<b>PAID UP:</b> *52,63,467 (52,63,467) Equity Shares of Rs.10/- each fully paid up. Add: Forfeited Shares 736248 (736248) Equity Shares of Rs. 10 each	<b>526.35</b> <b>54.06</b>	<b>526.35</b> <b>54.06</b>
	<b>580.41</b>	<b>580.41</b>

**RECONCILIATION OF SHARE CAPITAL**

<b>Equity Shares</b>	<b>As at 31.03.2012</b>		<b>As at 31.03.2011</b>	
	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
At the beginning of the period	5263467	526.35	2,763,467	276.35
*Fresh issue of shares during the period	0	0.00	2,500,000	250.00
Outstanding at the end of the period	5263467	526.35	5263467	526.35

**Disclosure:**

- 1) \*25,00,000 paid up shares issued to promoters during the financial year 2010-2011 at par are not transferrable up to 25.10.2013
- 2) The Company has only one class of equity shares having a par value of ` 10/- per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the Annual General Meeting.
- 3) Issue of share certificates for 2680 shares are pending for exchange for amalgamation.

Details of Shareholders holding more than 5% Shares in the company. <b>Name</b>	2011-2012		2010-2011	
	No. of Shares	%	No. of Shares	%
Mr.Arvind Machhar	765508	14.54	765508	14.54
Race Course Capital Market Pvt Ltd	597500	11.35	597500	11.35
Mrs.Sunita Machhar	354100	6.73	354100	6.73
Mrs.Dimpy Machhar	312400	5.94	312400	5.94
Mrs.Prema Machhar	310000	5.89	310000	5.89

(Rs.In Lakhs)

<b>NOTE NO.4: RESERVES AND SURPLUS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>1) CAPITAL RESERVES:</b>		
Capital Reserve	548.21	548.22
Capital Incentives (Subsidy)	53.23	53.23
Profit on Reissue of forfeited shares	3.36	3.36
<b>Total Capital Reserves</b>	<b>604.80</b>	<b>604.80</b>
<b>2) SECURITIES PREMIUM RESERVE</b>	480.90	480.90
<b>3) PROFIT &amp; LOSS ACCOUNT</b>		
Balance as per the last financial statements	-1,169.69	-887.88
Profit / (Loss) for the year	-341.30	-281.83
Net surplus /(Deficit) in the statement of profit and loss	-1,510.99	-1,169.71
	<b>-425.29</b>	<b>-84.01</b>

<b>NOTE NO.5: LONG TERM BORROWINGS</b>	<b>Long Term Maturities</b>		<b>Current Maturities</b>	
	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>SECURED LOANS</b>				
<b>1. TERM LOANS FROM BANKS:</b>				
a) Punjab National Bank Term Loan - I	41.31	116.38	81.25	81.66
b) Punjab National Bank Term Loan - II	136.93	74.39	81.63	89.21
c) Punjab National Bank Term Loan - III	170.49	234.07	72.93	73.13
d) Punjab National Bank Term Loan - IV	229.69	123.75	82.20	27.00
e) Punjab National Bank Term Loan - V	74.45	38.20	25.87	17.91
<b>UNDER VEHICLE FINANCE SCHEME</b>				
f) State Bank of India "Vehicle Loan"	18.80	25.23	6.43	5.99
g) HDFC Bank Ltd. "Vehicle Loan"	0.00	6.39	4.82	3.56
h) Punjab National Bank. "Vehicle Loan"	0.32	1.82	1.33	1.33
<b>2. DEFERRED PAYMENT LIABILITIES</b>				
i) For acquisition of fixed assets - To Machine Supplier	0.00	0.00	0.00	124.82
j) For acquisition of fixed assets - To Machine Supplier	58.77	0.00	15.11	164.43
<b>TOTAL SECURED LOANS</b>	<b>730.76</b>	<b>620.23</b>	<b>371.57</b>	<b>589.04</b>
<b>UNSECURED LOANS</b>				
<b>1. Deferred Payments</b>				
k) For acquisition of fixed assets	126.19	0.00	64.91	123.89
l) Deferred Sales Tax liability	515.51	528.85	71.03	36.04
<b>2. INTER CORPORATE DEPOSITS</b>	391.44	91.02	0.00	0.00
<b>3. RELATED PARTY</b>				
n) Directors	535.90	212.73	0.00	0.00
o) Promoters (Interest Free)	103.54	108.91	0.00	0.00
p) ICD from promoter group Company	137.98	152.40	0.00	0.00
<b>TOTAL UNSECURED</b>	<b>1810.56</b>	<b>1093.91</b>	<b>135.94</b>	<b>159.93</b>
	<b>2541.32</b>	<b>1714.14</b>	<b>507.51</b>	<b>748.97</b>

**S. No. Above**

- Primarily secured by hypothecation of some of the fixed assets of the company situated at Aurangabad unit and is repayable in equated monthly installments, due up to October 2013.
- Primarily secured by hypothecation of one machine at Laksar unit of the company and is repayable in equated monthly installments, due up to March, 2015.
- Primarily secured by hypothecation of some of the fixed assets at Laksar unit of the company and is repayable in equated monthly installments, due up to August, 2015.
- Primarily secured by hypothecation of some of the machines at Laksar unit of the company and is repayable in installment of Rs 3 Lacs from April 2012 to June 2012 and of Rs. 7.80 Lacs from July 2012 to March 2016. Part disbursement of this loan is pending.
- Primarily secured by hypothecation of some of the machines at Laksar unit of the company and is repayable in equated monthly installments, due up to December 2017. Part disbursement of this loan is pending.

All the five term loans from PNB as mentioned above as a, b, c, d & e are personally guaranteed by chairman cum managing director and one director of the company. All of these are collaterally secured by all the fixed assets of the Company situated at Pharola, Chikalthana and Laksar plants. The loan as mentioned in a above carries interest at BPLR of the bank which is presently at 14% p.a. and other term loans as mentioned in b, c, d, e above carries the interest rate depending upon the BPLR & base rate of the bank which presently works out from 16 to 16.50% p.a.

- f) Secured by hypothecation of the vehicles acquired by utilising the said loan in the name of chairman cum managing director of the company and is repayable in equated monthly installments, due upto October 2015, the loan carries the interest @ 7% p.a.
- g) Secured by hypothecation of the vehicles acquired by utilising the said loans in the name of chairman cum managing director of the company and is repayable in equated monthly installments, due upto October 2013, the loan carries the interest @ 9 to 11% p.a.
- h) Secured by hypothecation of the vehicles acquired by utilising the said loans and is repayable in equated monthly installments, due upto August 2013, the loan carries the interest @ 16 % p.a.
- i) Secured by FLC issued by PNB and was repayable in equated quarterly installments, due upto January 2012, without any interest. The loan is in Euro currency
- j) Secured against the machine purchased from the machine supplier and is repayable up to the year 2012-2013 without any interest. The loan is in CHF currency. Rs. 58.78 Lacs repayment is to be made during the year 2012-2013 from disbursement from the term loan as mentioned in d above hence shown under long term liability
- k) Repayable up to the year June 2014 without any interest. The loan is in CHF currency. The amount of Rs. 126.19 shown as long term liability includes Rs. 31.89 Lacs repayable during the year 2012-2013 which are to be financed from fresh disbursement from term loan as mentioned in d above.
- l) This is as per incentive scheme of government of Maharashtra for the tube unit of the company situated at Pharola. The repayment of each year of the deferred sales tax amount is to be made in five equal installments in 11th to 15th year, without any interest.
- m) Carry interest @ 9% to 15% p.a.
- n) Carry interest @ 12% p.a.
- o) Interest free.
- p) Carry interest @ 9% p.a.

(Rs. In Lakhs)

<b>NOTE NO.6: DEFERRED TAX LIABILITY</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
a) The company is having carried forward losses amounting to Rs. 1510.99 Lacs (Rs.1169.69 Lac) as per books of accounts and also as per the Income tax 1961, which is equivalent or more than book loss.	0.00	0.00
b) 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.		

<b>NOTE NO.7: LONG TERM PROVISIONS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Provision for Employee benefit		
Provision for Gratuity (non funded)	26.60	26.36
Provision for Leave Encashment (Non-Funded)	13.50	9.56
	<b>40.10</b>	<b>35.92</b>

<b>NOTE NO.8: SHORT TERM BORROWINGS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Cash credit, packing credit, post shipment and ILC acceptance (secured)	735.36	797.35
Foreign currency buyer's credit loan (unsecured)	90.69	44.63
	<b>826.05</b>	<b>841.98</b>

**Disclosure:**

- Cash credit, packing credit and working capital demand loan from bank are secured by hypothecation of all tangible movable assets both present and future including stock of raw materials, finished goods, goods in process, stores and trade receivables etc and is further secured by a second charge on the fixed assets at Laksar, Pharola and Chikalthana. The cash credit, packing credit post shipment credit and inland letter of credit acceptance is repayable on demand and carries interest rates @ 11% to 16% p.a.
- Outstanding foreign currency buyer's credit loans are unsecured and carry an interest rate ranging from libor plus 350 bps.

<b>NOTE NO.9: TRADE PAYABLES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Trade Payables for Materials and Services	427.42	263.44

**Disclosure:**

There are no dues to any creditors constituting "Suppliers" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act,2006. The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006".

(Rs. In Lacs)

<b>NOTE NO.10: OTHER CURRENT LIABILITIES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Advances from Customers	10.48	14.17
Creditors for capital goods	16.21	19.15
Advance against sale of capital goods	100.92	0.00
Interest Accrued but not due	0.07	0.10
Statutory liabilities	14.79	19.09
Sundry Deposits	0.64	0.64
Current Maturities of Long Term Debts	507.51	748.97
	<b>650.62</b>	<b>802.11</b>

<b>NOTE NO.11: SHORT TERM PROVISIONS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Leave Travel Concession	4.06	4.44
Medical	3.52	1.54
Bonus	5.90	5.34
	<b>13.48</b>	<b>11.32</b>

**NOTE NO.12: FIXED ASSETS**

(Rs. In Lacs)

Tangible assets	Gross block					
	Balance as at	Additions	Disposals	Effect of foreign currency exchange differences	Borrowings cost capitalized	Balance as at
	01/04/2011	₹	₹	₹		31/03/2012
(a) Land						
Freehold	130.79	0.00	1.79	0.00		129.00
Leasehold *	0.86	0.00	0.00	0.00		0.86
(b) Buildings - own use	674.83	183.54	32.93	0.00		825.43
(c) Plant and Equipment - owned	4819.36	411.01	412.75	52.09		4869.71
(d) Furniture and Fixtures - owned	54.41	0.40	0.08	0.00		54.73
(e) Vehicles - owned	75.12	13.02	0.29	0.00		87.84
(f) Office equipment - owned	29.29	3.27	0.10	0.00		32.47
(h) Others - Computers	28.62	1.37	0.00	0.00		29.98
Owned						0.00
<b>Total</b>	<b>5813.26</b>	<b>612.61</b>	<b>447.94</b>	<b>52.09</b>		<b>6030.02</b>
<b>Previous year</b>	<b>5694.61</b>	<b>243.22</b>	<b>5.63</b>	<b>54.20</b>	<b>9.23</b>	<b>5995.63</b>

- There is NIL amount under the head acquisitions through business combinations, reclassified as held for sale, Revaluation increase, other adjustments during the year.
- Vehicles includes two vehicles having gross block Rs. 47.23 Lacs held in the name of the director.
  - Four vehicles acquired during the year having gross block of Rs. 13.02 lacs are yet to be transferred in the name of the directors of the company. It is informed by the management that papers have been submitted to regional transport authority for transfer.

<b>NOTE NO.13 : NON CURRENT INVESTMENTS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>Unquoted equity instruments</b>		
a) Investment in subsidiaries - Nawnit Mach. Mfg. Co. Ltd 9,980 Equity Shares of ₹ 10/- each fully paid-up in	0.00	1.00
(b) 1050 Equity Shares of ₹ 10/- each fully paid up in Devgiri Nagrik Sahakari Ltd.	0.11	0.11
Aggregate Amount of Un quoted Investments	0.11	1.11
<b>Quoted equity instruments</b>		
<b>Others</b>		
(a) U.T.I. Master Shares - 846 Equity Shares of ` 5/- each fully paid-up	0.06	0.06
(b) U.T.I. Master Gain 300 Equity Shares of ` 10/- each fully paid-up	0.06	0.06
(c) Dhar Cements Limited - 183 Equity Shares of ` 10/- each fully paid-up	0.02	0.02
(d) Titan Industries Limited - 650 Equity Shares of ` 10/- each fully paid-up	0.03	0.03
(e) Nirup Synchrome Limited - 5000 Equity Shares of ` 10/- each fully paid-up	2.30	2.30
(f) Maharashtra Explosives Limited - 3550 Equity Shares of ` 10/- each fully paid-up	1.08	1.08
(g) Astra Zeneca Pharma India Limited - 100 Equity Shares of ` 10/- each fully paid-up	0.03	0.03
(h) Sanchay Finvest Limited - 5000 Equity Shares of ` 10/- each fully paid-up	0.75	0.75
Less Provision for Quoted Investments	-1.33	-1.33
Aggregate Amount of quoted Investments	2.98	2.98
	<b>3.09</b>	<b>4.09</b>

Disclosure: Market Value of Quoted Investments

Rs.3.88

Rs.2.98

(Rs.in Lacs)

<b>NOTE NO.14: LONG TERM LOANS AND ADVANCES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Loan to subsidiary - Unsecured	0.00	1.11
	<b>0.00</b>	<b>1.11</b>

<b>NOTE NO.15: OTHER NON CURRENT ASSETS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Advance to Suppliers for Capital goods	161.81	72.21
Time Deposits with Banks - (kept as margin with the bank against non fund based limits)	28.69	26.61
	<b>190.50</b>	<b>98.82</b>

<b>NOTE NO.16: INVENTORIES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Valued at Lower of Cost and net realisable value except stated otherwise. <b>(As certified by the Management)</b>		
Raw Material	177.92	195.34
Finished & Semi Finished goods	91.99	61.61
Work in Progress at cost	11.34	20.00
Packing Material at cost	9.14	5.15
Stores and Spares at cost	70.46	65.15
	<b>360.85</b>	<b>347.25</b>

<b>NOTE NO.17: TRADE RECEIVABLES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>Unsecured</b>		
(a) Outstanding for more than six months - Considered Good	13.46	2.28
(b) Other debts	537.15	315.32
Less: Provision for doubtful debts	16.43	0.00
	<b>534.18</b>	<b>317.60</b>

<b>NOTE NO.18: CASH AND BANK BALANCES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Cash on Hand	5.66	2.61
<b>Balances with Banks</b>		
In Current Account	1.33	1.64
In EEFC Accounts	0.24	0.22
	<b>7.23</b>	<b>4.47</b>

<b>NOTE NO.19: SHORT TERM LOANS AND ADVANCES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
(Unsecured and considered good)		
Advance to Suppliers for Raw Material & Consumables	19.08	43.65
Advances recoverable in cash or in kind or for value to be received	13.91	3.78
	<b>32.99</b>	<b>47.43</b>

<b>NOTE NO.20: OTHER CURRENT ASSETS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Pre-Paid expenses	3.69	5.40
TDS Receivables	5.37	4.20
VAT Receivables	63.40	43.16
RG-23-A Un-utilized Balance	2.26	4.27
RG-23-C Un-utilized Balance	0.00	8.70
Export Incentives Receivables	16.78	21.36
Deposits with electricity boards, telephone, PLA etc.	15.23	11.90
	<b>106.73</b>	<b>98.99</b>

<b>NOTE NO.21: REVENUE FROM OPERATIONS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Sale of Manufactured Goods - co-extruded tubes	2,196.34	1,903.53
Sale of Scrap	12.41	14.79
Sale of Traded Goods - Garments export	9.47	128.62
	<b>2,218.22</b>	<b>2,046.94</b>

**Disclosure:**

Sales are stated at gross value inclusive of taxes and Freight. Sales includes inter unit transfer of finished/ semi-finished goods amounting to Rs. 67.03 Lacs (Rs.78.83) Lacs.

(Rs. In Lacs)

<b>NOTE NO.22: OTHER INCOME</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Dividend on shares	0.07	0.10
Interest on Bank Time Deposit (TDS Rs. 0.08 Lacs)	1.44	2.21
Rent Receipt	1.33	1.33
Credit Balances Written Back	3.40	0.14
Export Incentives	1.84	13.33
Miscellaneous Income	5.33	7.68
	<b>13.41</b>	<b>24.78</b>

<b>NOTE NO.23: COST OF MATERIALS CONSUMED</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>POLYETHYLENE</b>		
Opening Stocks	39.58	34.46
Add: Purchases	297.73	205.19
Less : Closing Stocks	24.49	39.58
<b>Consumption</b>	<b>312.82</b>	<b>200.07</b>
<b>POLYPROPYLENE</b>		
Opening Stocks	11.87	8.37
Add: Purchases	179.29	114.82
Less : Closing Stocks	15.47	11.87
<b>Consumption</b>	<b>175.69</b>	<b>111.32</b>
<b>MASTER BATCHES</b>		
Opening Stocks	15.53	11.49
Add: Purchases	33.78	32.82
Less : Closing Stocks	18.29	15.53
<b>Consumption</b>	<b>31.02</b>	<b>28.78</b>
<b>LABELS</b>		
Opening Stocks	4.54	7.64
Add: Purchases	294.96	125.16
Less : Closing Stocks	15.61	4.54
<b>Consumption</b>	<b>283.89</b>	<b>128.26</b>
<b>FINISHED GOODS - GARMENTS</b>		
Opening Stocks	0.00	11.61
Add: Purchases	8.40	91.09
Less : Closing Stocks	0.00	0.00
<b>Consumption</b>	<b>8.40</b>	<b>102.70</b>
<b>OTHER RAW MATERIALS</b>		
Opening Stocks	122.92	63.43
Add: Purchases	153.27	371.31
	<b>276.19</b>	<b>434.74</b>
Less : Closing Stocks	104.05	122.92
<b>Consumption</b>	<b>172.14</b>	<b>311.82</b>
<b>Total Consumption</b>	<b>983.95</b>	<b>882.95</b>

<b>NOTE NO.24: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Opening Finished Goods	75.56	51.88
Closing Finished Goods	91.99	75.56
	<b>-16.43</b>	<b>-23.68</b>
Opening Work-in-Progress	6.05	7.41
Closing Work-in-Progress	11.34	20.00
	<b>-5.29</b>	<b>-12.59</b>
<b>Net (Increase)/Decrease</b>	<b>-21.72</b>	<b>-36.27</b>

<b>NOTE NO.25 : EMPLOYEE BENEFITS EXPENSES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Salaries and Wages including Bonus	308.58	271.65
Contribution to P.F.	11.69	10.02
Employee welfare	6.81	6.07
	<b>327.08</b>	<b>287.74</b>

**Disclosure:**

The above Salaries and Wages include Directors Remuneration

<b>NOTE NO.26 : FINANCE COST</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Interest on Term Loan	165.43	90.23
Interest on Working Capitals including acceptances and buyer credits	108.43	94.19
Interest on other borrowings	79.42	24.16
Interest on delayed payment of TDS	0.97	0.56
	<b>354.25</b>	<b>209.14</b>

**NOTE NO.27: DEPRECIATION ON FIXED ASSETS**

(Rs. In Lacs)

Tangible assets	Accumulated depreciation and impairment					Net block		
	Balance as at	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Impairment losses recognised in statement of profit and loss - opening balance as on	Reversal of impairment losses recognised in Statement of Profit and Loss	Balance as at	Balance as at	Balance as at
	01/04/11	₹	₹	01/04/2011	₹	31/03/2012	31/03/12	31/03/11
(a) Land								
Freehold	0.00	0.00	0.00	0.00	0.00	0.00	129.00	130.79
Leasehold *	0.17	0.01	0.00	0.00	0.00	0.17	0.68	0.69
(b) Buildings - own use	224.33	28.28	21.70	0.00	0.00	230.92	594.52	450.49
(c) Plant and Equipment - owned	2243.11	240.53	337.07	195.25	61.16	2280.66	2589.04	2381.01
(d) Furniture and Fixtures - owned	34.22	1.71	0.08	0.03	0.00	35.88	18.85	20.15
(e) Vehicles - owned	10.87	8.35	0.22	0.06	0.06	19.00	68.84	64.18
(f) Office equipment - owned	19.59	1.00	0.07	0.71	0.02	21.20	11.27	8.99
(h) Others - Computers	21.71	1.94	0.00	0.00	0.00	23.64	6.34	6.91
<b>Total</b>	<b>2553.99</b>	<b>281.80</b>	<b>359.14</b>	<b>196.05</b>	<b>61.24</b>	<b>2611.47</b>	<b>3418.55</b>	<b>3063.22</b>
<b>Add capital work in progress</b>								182.37
<b>Previous year</b>	2290.92	263.07	0.01	196.05	0.00	2750.04	3245.59	

1) There is no amount under the head of eliminated on reclassification as held for sale and Loss and other adjustments

2) Depreciation have been charged on straight line method. Depreciation on additions and assets sold during the year has been charged proportionately

3) Premium paid on leasehold land written off proportionately.

<b>NOTE NO.28 : OTHER EXPENSES</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
<b>A. MANUFACTURING EXPENSES</b>		
Stores & Spares consumed	62.81	92.27
Power & Fuel	129.59	120.04
Water	0.19	0.26
Repairs to Machinery	24.58	12.47
Packing Material consumed	56.82	56.12
Job work expenses	8.23	5.81
Contract Production Wages	105.44	74.72
	<b>387.66</b>	<b>361.69</b>
<b>B. ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rates & Taxes	1.46	1.12
Rent	3.08	6.29
Insurance	6.84	7.28
<b>Payment to Statutory Auditors</b>		
Statutory Audit Fee	2.20	1.70
Quarterly Review fees	0.30	0.30
Out of pocket expenses	0.04	0.03
Postage	3.32	2.76
Telephone	14.09	16.41
Vehicle running and Maintenance	25.13	11.09
Legal & Professional Charges	12.10	18.63
Travelling Expenses	29.79	51.72
Bank Charges	12.34	17.33
Miscellaneous Expenditure	34.05	59.90
Debit Balance written off	4.71	5.96
Repairs to Building	3.51	3.48
Repair to other Assets	9.67	6.04
Security Expenses	15.83	15.01
Net Loss on Foreign Currency Transactions	20.64	10.59
Donation	0.00	2.51
	<b>199.10</b>	<b>238.15</b>
<b>C. SELLING AND DISTRIBUTION EXPENSES</b>		
Excise duty and sales tax	105.70	96.99
Transportation Expenses	61.55	85.77
Other Sales expenses & discounts	13.50	13.41
Provision for Doubtful Debts	16.43	0.00
	<b>197.17</b>	<b>196.17</b>
	<b>783.93</b>	<b>796.01</b>

(Rs. In Lacs)

NOTE NO.29 PRIOR PERIOD ITEMS (INCOME/EXPENSES)	31.03.2012	31.03.2011
<b>INCOME</b>		
Excess provision written back	3.95	4.96
Expenses booked in earlier year now debited to service provider	4.69	0.00
Other income of earlier years	0.37	0.91
	<b>9.01</b>	<b>5.87</b>
<b>EXPENSES</b>		
Less provisions made in earlier years		
Exhibitions	0.00	17.58
Others	2.77	4.40
	<b>2.77</b>	<b>21.98</b>
<b>(INCOME)/EXPENSES</b>	<b>6.24</b>	<b>-16.11</b>

NOTE NO.30 EXTRA-ORDINARY ITEMS	31.03.2012	31.03.2011
<b>INCOME</b>		
Profit on sale of fixed assets net of loss of Rs. 4.01 Lacs	130.12	0.00
Principal waiver by unsecured creditor	0.00	65.20
<b>(INCOME) /EXPENSES</b>	<b>130.12</b>	<b>65.20</b>

**Disclosure:**

- 1) During the year the company has sold fixed assets of the Emulsion and WPC units situated at Nandrabad, Aurangabad and plant & machineries as scrap of the PAN unit situated at Chikalthana, Aurangabad. The operations of these units were suspended for more than 12 years. The business activity pertains to these divisions were discontinued due to obsolete machineries and overall market conditions. The disposal of assets is in compliance to sanctioned scheme dated 23.10.2007 ordered by Hon'ble Board for Industrial and Financial Reconstruction. Therefore this disposal does not affect the going concern status of company.
- 2) The profit of extraordinary nature as mentioned in the financial statements of Rs. 130.12 is from these sales net of loss of Rs. 4.01 Lacs.
- 3) The provision for capital gain tax (income tax) on sale of business assets has not been made in the books of accounts as the same is to be set off from unabsorbed brought forward business losses and unabsorbed depreciation as well as current business loss and depreciation. This view is also upheld by the Hon'ble Delhi High Court in case of Assistant Commissioner of Income Tax v/s Lavish Apartments Private Limited and the management has relied on the same.
- 4) During the year depreciation of all above divisions is charged amounting to Rs.7.05 Lac (Rs. 8.07Lacs)

**NOTE NO. 31: 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.

Sr No.	Particulars	31.03.2012			31.03.2011		
		Garments division	Co-extruded Tube Division	Total	Garments division	Co-extruded Tube Division	Total
	<b>Revenue</b>						
A	Sales	9.47	2,196.34	2,205.81	128.62	1903.53	2032.15
B	Profit/Loss Before Dep and Interest	1.07	293.68	294.75	8.46	247.16	255.61
C	Interest Expenses	-	354.25	354.25	0.00	209.15	209.15
D	Depreciation & Impairment	-	281.80	281.80	0.00	263.07	263.07
E	Extra Ordinary Items	-	-	-	0.00	65.20	65.20
<b>F</b>	<b>Net Profit/Loss</b>	<b>1.07</b>	<b>(342.37)</b>	<b>(341.30)</b>	<b>8.46</b>	<b>-290.26</b>	<b>-281.81</b>
	<b>Other Information</b>						
G	Segmental Assets	-	6,030.02	6,030.02	0.00	5995.63	5995.63
H	Less Depreciation & Impairment	-	2,611.47	2,611.47	0.00	2750.04	2750.04
<b>I</b>	<b>Net Assets</b>	<b>-</b>	<b>3,418.55</b>	<b>3,418.55</b>	<b>0.00</b>	<b>3245.59</b>	<b>3245.59</b>
J	Segmental Liabilities	0.19	623.92	624.12	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	Garments division	Co-extruded Tube Division	Total
A	DOMESTIC	-	1,868.38	1,868.38	0.00	1433.41	1433.41
B	EXPORT	-	327.95	327.95	0.00	470.12	470.12
C	*GARMENTS	9.47	-	9.47	128.62	0.00	128.62
	<b>TOTAL</b>	<b>9.47</b>	<b>2,196.34</b>	<b>2,205.81</b>	128.62	1903.53	2032.15

\*Segment discontinued since 30.06.2011. The management has discontinued the garment segment considering no synergies with main stream and investment required in fixed assets.

**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.

**NOTE NO-32: RELATED PARTY DISCLOSURE**

**Director's remuneration**

(Rs. In Lacs)

Sr. No.	Name of the Party	Relationship	31.03.2012	31.03.2011
01.	Arvind Machhar	Chairman Cum Managing Director	16.53	15.22
02.	Nawnit Machhar	Whole Time Director	3.92	--

**Salary to related persons:**

Sr. No.	Name of the Party	Relationship	31.03.2012	31.03.2011
01.	Arpit Machhar	Son of CMD	5.47	3.68
02.	Nishant Machhar	Son of CMD	3.51	--

**Payment of professional fees:**

Sr. No.	Name of the Party	Relationship	31.03.2012	31.03.2011
01.	Khandelwal Jain & Co.	Related Concern of Non Executive Independent Director	0.52	0.25

**Interest provided / paid on unsecured loans from related parties:**

Sr. No.	Name of the Party	Relationship	31.03.2012	31.03.2011
01.	Arvind Machhar	Chairman Cum Managing Director	22.32	5.80
02.	Nawnit Machhar	Whole Time Director	2.66	--
03.	Sandeep Machhar	Director	17.15	1.45
04.	Utsav Logistice Private Limited	Promoters Group Company	3.60	0.91
05.	Race Course Capital Market Limited	Promoters Group Company	9.85	9.03

**Interest free unsecured loan taken**

Sr. No.	Name of the Party	Relationship	31.03.2012	31.03.2011
01.	Arpit Machhar	Son of CMD	8.72	9.10
02.	Prabha Machhar	Wife of CMD	32.90	35.40
03.	Prema Machhar	Wife of Director	2.25	2.25
04.	Kiran Machhar	Wife of WTD's Brother	16.50	19.00
05.	Dimpi Machhar	Wife of Director	6.16	6.16
06.	Shittal Machhar	Wife of Directors Brother	27.00	27.00

**Interest bearing unsecured loan taken:**

Sr. No.	Name of the Party	Relationship	31.03.2012	31.03.2011
01.	Arvind Machhar	Chairman Cum Managing Director	202.44	153.93
02.	Nawnit Machhar	Whole Time Director	87.90	--
03.	Sandeep Machhar	Director	245.57	58.80
04.	Race Course Capital Market Limited	Promoters Group Company	113.87	110.05
05.	Utsav Logistice Private Limited	Promoters Group Company	22.56	40.82

**NOTE NO.33:** As on 31.03.2012 as per the financial statement, the net worth of the company has reduced to below 50% from the peak net worth in preceding 4 years. The company is in process for complying with the Board for Financial and Industrial Reconstruction as per the provisions of Section 23 of Sick Industrial Companies Act.

**NOTE NO.34:** The provision for capital gain tax (income tax) on sale of business assets has not been made in the books of accounts as the same is to be set off from unabsorbed brought forward business losses and unabsorbed depreciation as well as current business loss and depreciation. This view is also upheld by the Hon'ble Delhi High Court in case of Assistant Commissioner of Income Tax v/s Lavish Apartments Private Limited and the management has relied on the same.

**NOTE NO.35:** During the year the company has disposed off all of the shares held in the erstwhile subsidiary company M/S Nawneet Machine Manufacturing Company Private Limited at par and the company ceases to be subsidiary. Therefore the consolidated balance sheet is not prepared. Hence the previous year financials of M/S Nawneet Machine Manufacturing Company Private Limited is as under:

	<b>AS AT 31.03.2011 AMOUNT IN RUPEES</b>
<b>BALANCE SHEET</b>	
<b>I. Sources Of Funds</b>	
<b>1.Shareholder's Funds:</b>	
Share Capital	100000
<b>2.Reserves &amp; Surplus:</b>	
Subsidy	17116
3.Unsecured Loan	111006
<b>TOTAL</b>	<b>228122</b>
<b>II. APPLICATION OF FUNDS</b>	
1.Fixed Assets	152585
2.Current Assets, Loans & Advances	5564
Less: Current Liabilities & Provisions	3700
3.Net Current Assets	1,864
4.Miscellaneous Expenditure (To The Extent Not Written Off Or Adjusted)	
Preliminary & Preoperative Expenses	73673
<b>TOTAL</b>	<b>228122</b>

	<b>AS AT 31.03.2011 AMOUNT IN RUPEES</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>	
<b>Particulars</b>	
<b>A. Income</b>	
Sundry Balance Written Up	0
	0
<b>B. Expenses</b>	
Audit Fees	1500
Rent, Taxes & Fees	0
Roc Filing Fees	12200
<b>Total</b>	<b>13700</b>
<b>Add : Prior Period Expenses</b>	<b>0</b>
Preoperative Expenses Transferred	13700
To Balance Sheet	

**NOTE NO.36: 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. 669.83Lacs (Rs. 609.84Lacs), 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 with respect to 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.148.53Lacs (Rs.61.34Lacs).

**NOTE NO.37:** 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	
	31.03.2012	31.03.2011
Recovery of Special Capital Incentives and interest thereon by Government of Maharashtra	144.59	137.57
Past and future interest on the sales tax deferral dues of the resulting Company Machhar Industries Limited as mentioned in 6 b above	1962.38	1553.50

**NOTE NO.38: DIRECTORS REMUNERATIONS:**

(Rs. in Lacs)

Particulars	C.M.D		W.T.D.		TOTAL	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
i. Salary	14.44	11.46	3.88	---	18.32	11.46
ii. Perquisites	2.00	3.67	---	---	2.00	3.67
iii. Leave Encashment	---	---	---	---	---	---
iv. Contribution to P.F.	0.09	0.09	0.05	---	0.14	0.09
v. Gratuity	---	---	---	---	---	---
<b>TOTAL</b>	<b>16.53</b>	<b>15.22</b>	<b>3.93</b>	<b>---</b>	<b>20.46</b>	<b>15.22</b>

**NOTE NO.39:** Certain statutory requirements and records are in the process of their compilation / up-dation.

**NOTE NO.40:** 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.

**NOTE NO.41: EMPLOYEE BENEFITS**

As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

**Defined Contribution Plans: Provident Fund**

During the year, the Company has recognized the following amounts in the Profit & Loss Account

Particulars		Rs. In Lacs	
		Current Year	Previous Year
-	Employers Contribution to Provident Fund	11.53	9.70
-	Employers Contribution to Staff Welfare Fund	0.00	0.00

**Defined Benefit Plans**

The company has neither created fund nor contributed to Scheme framed by the Insurance Company for the defined benefit plans for the qualifying employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit credit method with actuarial valuations being carried out at each balance sheet date.

In accordance with accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions: -

Particulars	Current Year	Previous Year
Discount Rate	8.50%	8.50%
Salary escalation rate	6.50%	6.50%
Expected rate of return on Plan Assets	-	-
Expected average remaining service of employee in the number of years	-	-

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2012

**a) Change in Present Value of Defined Benefit Obligation**

Particulars	Current Year	Previous Year
Present value of obligations at the beginning of the year	0.00	12.19
Current Service Cost	4.35	3.59
Interest Cost	2.17	1.01
Actuarial (Gain) / Loss	-2.86	11.26
Benefit paid	-3.42	-1.69
<b>Present value of obligations at the end of the year</b>	<b>0.24</b>	<b>26.36</b>

NA denotes not available

**b) Percentage of each category of plan assets to total fair value of plan assets as at 31st March 2012**

Particulars	Current Year	Previous Year
Obligation on the part of the Company	100%	100%

**c) Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2012**

Particulars	Current Year	Previous Year
Current Service Cost	4.35	3.59
Interest Cost	2.17	1.01
Expected return on plan assets	-	-
Net Actuarial (Gain) / Loss recognized in the year	-2.86	11.26
Past Service cost	0.00	NA
<b>Net Gratuity (income) / expense</b>	<b>3.66</b>	<b>15.86</b>

The liability for leave encashment and compensated absences as at year end is Rs.13,50,115 (Previous year liability Rs.9,55,820)

**NOTE NO.42: EARNINGS PER SHARE:**

The basic and diluted EPS is calculated as under:

Particulars	31.03.2012	31.03.2011
Profit/(loss) attributable to Equity Share Holders	341.30	281.81
Weighted average number of Equity Shares of Rs.10 Each	5263467	4188124
<b>Earnings / (Loss) per share</b> (considering extra ordinary items) -Rupee only	(6.48)	(6.73)
<b>Earnings (Loss) per share</b> (without considering extra ordinary items) – Rupee only	(9.08)	(8.29)

**NOTE NO.43: A.** Additional Information pursuant to the provisions of part II of the Schedule VI to the Companies Act'1956.

**B. RAW MATERIAL CONSUMED:**

NAME	QUANTITY (MT)		VALUE (Rs.)	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
I). HDPE/LLDPE/LDPE/PP	675.59	555.19	488.50	395.70

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

	31/03/2012 Value	%	31/03/2011 Value	%
<b>I). RAW MATERIAL</b>				
Imported	274.11	28.10	285.34	36.57
Indigenous	701.44	71.90	494.91	63.43
<b>TOTAL</b>	<b>975.55</b>	<b>100.00</b>	<b>780.25</b>	<b>100.00</b>
<b>II). SPARE PARTS AND COMPONENTS</b>				
Imported	20.66	32.89	20.01	21.68
Indigenous	42.15	67.11	72.26	78.32
<b>TOTAL</b>	<b>62.81</b>	<b>100.00</b>	<b>92.27</b>	<b>100.00</b>

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

<b>D. EARNING / EXPENDITURE IN FOREIGN CURRENCY:</b>	31-03-2012	31-03-2011
I ) Earning In Foreign Exchange - Exports On Fob Basis	317.38	526.97
li ) Earning In Foreign Exchange - Advance Against Sale Of Assets	100.92	0.00
lii ) Cif Value Of Imported Material	240.98	309.17
Iv ) Expenditure In Foreign Currency Travelling Technical, Drawing & Design	10.52	34.52
V ) Payment For Interest On Buyers Credit	4.67	5.38
Vi ) Payment Against Capital Equipments	681.48	349.34

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 REGISTRATION NUMBER 108702W  
CHARTERED ACCOUNTANTS

DILIP JAIN  
PROPRIETOR

M.NO. 044301  
PLACE : AURANGABAD

DATE: 13-08-2012

ARVIND MACHHAR - CHAIRMAN CUM MANAGING  
DIRECTOR

NAWNIT MACHHAR – WHOLE-TIME DIRECTOR

DEEPAK KHANDELWAL - GENERAL MANAGER  
(F&A)

**CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2011-2012 AS AT 31.03.2012**

Rs. In Lacs

PARTICULARS		2011-2012	2010-2011
<b>A ) CASH FLOW FROM OPERATING ACTIVITIES</b>			
i)	Profit/Loss after Tax & Extra Ordinary Items		(341.30)
ii)	Profit on Sale of Assets	(130.12)	
iii)	Depreciation & Impairment	281.80	263.07
iv)	Interest /Financial Charges	354.25	209.15
v)	Provision for Investments Reversed		(1.63)
v)	Interest /Dividend Received	(0.07)	(0.10)
	<b>Total</b>	<b>505.87</b>	<b>470.49</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES ADJUSTMENT</b>		<b>164.57</b>	<b>188.68</b>
i)	Trade and other Receivables	(299.91)	3.02
ii)	Inventories	(13.61)	(82.57)
iii)	Trade Payable	260.29	(97.34)
iv)	Cash generated from operations	<b>111.34</b>	<b>11.79</b>
v)	Interest paid/Financial Charges	354.25	209.15
	<b>NET CASH FROM OPERATING ACTIVITIES (TOTAL A)</b>	<b>(242.91)</b>	<b>(197.35)</b>
<b>B) NET FLOW FROM INVESTMENT ACTIVITIES</b>			
i)	Purchase of Fixed Assests	482.32	301.02
ii)	Sale of Fixed Assets	(157.72)	-
iii)	Sale of Investments	(1.00)	-
iv)	Interest/Dividend Received	(0.07)	(0.10)
	<b>NET FLOW FROM INVESTMENT ACTIVITIES [TOTAL B]</b>	<b>(323.53)</b>	<b>(300.92)</b>
<b>C) CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
i)	Proceeds From Long Term Financing	980.58	868.52
ii)	Proceeds From Short Term Financing	(15.93)	223.24
iii)	Payment of Long Term Borrowings	<b>(266.86)</b>	(149.21)
iv)	Payment of Defferal Credits	21.65	(163.26)
v)	Deferred payment to Machine Suppliers	(148.15)	(280.12)
	<b>NET FLOW FROM FINANCIAL ACTIVITIES [TOTAL C]</b>	<b>571.29</b>	<b>499.18</b>
	<b>CLOSING BALANCE [ A+B+C ]</b>	<b>4.84</b>	<b>0.91</b>
	<b>CASH AND CASH EQUIVALENT OPENING BALANCE</b>	<b>31.08</b>	<b>30.17</b>
	<b>CASH AND CASH EQUIVALENT CLOSING BALANCE</b>	<b>35.92</b>	<b>31.08</b>

AS PER OUR REPORT ANNEXED  
FOR RATHI & BANGAD  
FIRM REGISTRATION NUMBER 108702W  
CHARTERED ACCOUNTANTS

DILIP JAIN  
PROPRIETOR

M.NO. 044301  
PLACE : AURANGABAD

DATE: 13-08-2012

ARVIND MACHHAR - CHAIRMAN CUM MANAGING  
DIRECTOR

NAWNIT MACHHAR – WHOLE-TIME DIRECTOR

DEEPAK KHANDELWAL - GENERAL MANAGER  
(F&A)

**Balance Sheet Abstract and Company's General Business Profile****I. REGISTRATION DETAILS:**

Registration No.	22746
Balance Sheet Date	31/03/2012
State Code	11

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

Right Issue	NIL
Equity Warrants	NIL
Preferential Issue	NIL
Public Issue	NIL
Bonus Issue	NIL

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

Total Liabilities	554099
Total Assets	554099

**SOURCES OF FUNDS:**

Paid-up Capital	52635
Secured Loan	185449
Un-secured Loans	116886
Reserves and Surplus	113976
Deferred Payments	85154

**APPLICATION OF FUNDS:**

Net Fixed Assets	341855
Net Current Assets	60836
Accumulated Losses	151099
Investment	309
Misc. Expenses	NIL

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

Turnover	224806.00
Profit/(Loss before Tax)	(47,767.00)
Earnings per share (Rs.)	(11.26)
Total Expenditure	272573.00
Profit/(Loss) after Tax	(34,130.00)
Dividend per share	NIL

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

<b>As per monetary terms</b>	ITC CODE
Co-Extruded Plastic Tubes	39239000

AS PER OUR REPORT ANNEXED  
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Apt Packaging Limited

Regd. Office: J-18, MIDC, Chikalthana, Aurangabad (MS) - 431106

**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 32<sup>nd</sup> ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 29<sup>th</sup> day of September, 2012 at 11:30 AM

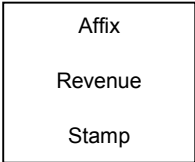
Signed this.....day of .....2012.

\* Applicable of members holding shares in electronic form.

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) - 431106

**ATTENDANCE SLIP**

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

I hereby record my presence of the 31<sup>st</sup> Annual General Meeting of Apt Packaging Limited at Registered Office: Regd. Office: J-18, MIDC, Chikalthana, Aurangabad (MS) – 431106 on Saturday, the 29<sup>th</sup> day of September, 2012 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.