



**APT PACKAGING LTD.**

*28<sup>th</sup> Annual Report 2008*

**Apt Packaging Limited**

**Formerly Known as Anil Chemicals & Industries Ltd.**

**BOARD OF DIRECTORS**

ARVIND MACHHAR  
CHAIRMAN CUM  
MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE-TIME DIRECTOR

RAVI MACHHAR  
DIRECTOR

GHEVERCHAND M. BOTHARA  
DIRECTOR

BALAPRASAD TAPDIYA  
DIRECTOR

ARUNA MAKHAN  
SPECIAL DIRECTOR

**AUDITORS**

M/S RATHI & BANGAD  
Chartered Accountant, Aurangabad

**BANKERS**

PUNJAB NATIONAL BANK  
UNION BANK OF INDIA

**REGISTERED OFFICE**

GUT NO. 72, VILLAGE PHAROLA,  
POST - BEEDKIN, TQ. - PAITHAN,  
DIST. - AURANGABAD - 431105 (MS)

**LOCATION OF PLANTS****AMMONIUM NITRATE DIVISION**

- i) J-18, MIDC Area, Chikalthana,  
Aurangabad - 431 006 (MS)
- ii) Plot No. 614, GIDC Area, Panoli,  
Ankleshwar, Dist. Bharuch (GJ) - 394116

**EMULSIFIED ANFO/MATRIX DIVISION**

- i) Plot No. 48/49, Udyog Deep Industrial Area,  
Waidhan Dist. Sidhi (MP) - 486886
- ii) Village - Nandrabad, Taluka Khultabad,  
Dist.- Aurangabad (MS)
- iii) Plot No. 2/A-1, A-2 IDCO Industrial Area,  
Jharsuguda (Orissa) - 768203

**CO-EXTRUDED TUBES DIVISION**

- i) Gut No. 72, Village Pharola, Post Beedkin,  
Tq.-Paithan, Dist.-Aurangabad - 431 105 (MS)

**REGISTRAR AND TRANSFER AGENT**

M/S INTIME SPECTRUM REGISTRY LIMITED  
C-13, PANNALAL SILK MILLS COMPOUND  
L.B.S. MARG BHANDUP (W), MUMBAI - 400078

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 25th Annual General Meeting of the members of **Apt Packaging Limited (Formerly Known as Anil Chemicals and Industries Limited)** will be held on Monday the, 22<sup>nd</sup> day of September, 2008 at 11.00 AM at Registered office of the Company situated at Gut No. 72, Village Pharola, Post- Beedkin, Tq. Paithan, Dist.-Aurangabad- 431105 (MS) to transact the following business:

**I) ORDINARY BUSINESS**

1. To consider, approve and adopt the Balance Sheet of the Company as on 31<sup>st</sup> March, 2008 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. B.H. Tapadiya who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Mr. Ravi Machhar as Director of the Company.
4. To appoint M/s Rathi & Bangad, Chartered Accountants, as an Auditor of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next annual general meeting and fix their remuneration.

**II) SPECIAL BUSINESS**

5. To consider and if thought fit to pass with or without modification the following resolution as special resolution:  
"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the approval of the members' is hereby accorded to the appointment of Mr. Nishchint Machhar as the Manager Marketing of the Company effective from 1<sup>st</sup> April, 2008 on the terms and conditions including remuneration as set out in the agreement entered into between the Company and Mr. Nishchint Machhar, with liberty to the Board of Directors to alter, amend and vary such terms and conditions, including remuneration, however, within the maximum limit of Rs.50,000/- per month."
6. To consider and if thought fit to pass with or without modification the following resolution as special resolution:  
"RESOLVED THAT pursuant to the provisions of section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Object Clause of the Memorandum of Association of the Company be altered by adding the following new clause 47 after the existing clause 46."  
47. To carry on the business as manufacturers, importers, exporters, merchant exporters, wholesaler and retail dealers in all kind of merchandise, goods and articles including all kind of toys, men's, women's and children's clothing and wearing apparel of every kind, hosiery goods of every nature and description, and all or anything which can be merchant exported.  
"RESOLVED FURTHER THAT approval pursuant to the provisions of section 149(2A) of the Companies Act, 1956, be and is hereby accorded to the company for commencing and carrying on the business of merchant export as set out in terms of clause 47 of the Memorandum of Association of the Company specified in the above resolution."  
"RESOLVED FURTHER THAT Mr. Arvind Machhar, Chairman cum Managing Director of the company be and is hereby authorized to obtain the approval of the Registrar of Companies for the purpose of the carrying on the business as resolved hereinabove and to do all such acts, deeds and things as may be required to do on behalf of the Company."
7. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution  
"RESOLVED THAT to comply the directions issued by Hon'ble Board for Industrial and Financial Reconstructions, New Delhi (BIFR) and pursuant to provisions of the section 81 (1A) and other applicable provisions of the Companies Act, 1956 and applicable articles of the Articles of Association of the company, the consent of the members be and is hereby granted to offer, issue and allot the 25 lac (twenty five lac) equity shares of the company for cash at par to the promoters and / or promoters group of the company".  
"RESOLVED FURTHER THAT Mr. Arvind Machhar, Chairman cum Managing Director of the Company be and is hereby authorized to file the requisite forms with the Registrar of Companies, Mumbai and complete other formalities."
8. 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 146(2) and any other applicable provision, if any, of the Companies Act, 1956 the registered office of the Company be shifted from the Gut Number 72, Village Pharola, Post Beedkin, District Aurangabad to J-18, MIDC Area, Chikalthana, Aurangabad with effect from 01/10/2008."

**BY ORDER OF THE BOARD**

**PLACE: AURANGABAD**  
**DATE: 31<sup>ST</sup> JULY 2008**

**ARVIND MACHHAR**  
**CHAIRMAN CUM MANAGING DIRECTOR**

**NOTES:**

- 1) A member entitled to attend and vote is 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 16<sup>th</sup> September 2008 to 22<sup>nd</sup> September 2008 (both days inclusive).
- 3) The members are requested to intimate to Share Transfer Agent of the Company, changes, if any, in their Registered Address at an early date and bring the copy of the Annual Report and attendance slip at the Annual General Meeting.
- 4) In all correspondence with the Company/Registrars, members are requested to quote their registered folio number.
- 5) All the documents referred to in accompanying notice are open for inspection at the Registered Office of the company on all working days except Sunday and Holidays between 11.00 a.m. to 5.00 p.m. up to the date of Annual General Meeting.
- 6) Section 109A of the Companies Act, 1956, has introduced provisions for nominations by the holders of shares. The prescribed nomination forms can be obtained from the Company's Registrar and Share Transfer Agent, in case of shares. The Members may take advantage of this facility, if need.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****ITEM NUMBER 5**

Mr. Nishchint Machhar, a graduate in the field of engineering, has very good command in marketing and other relevant production activities as such it is felt by Board of Directors that it would be in the best interest of the Company to avail his services looking into the expansion of the tube unit of Company culminating into much higher sale in the near future. The Company has appointed Mr. Nishchint Machhar as Manager - Marketing with effect from 01.04.2008 on the terms and conditions as per the agreement placed before the Board. His remuneration in any case would not exceed Rs. 50,000/- per month. As per the provisions of section 314 of the Companies Act, 1956, the shareholders approval is required to appoint a relative of directors, hence the resolution.

Mr. Arvind Machhar, Chairman Cum Managing Director and Mr. Sandeep Machhar, Whole Time Directors is interested in this resolution.

**ITEM NUMBER 6**

At present the Company is engaged in the business of manufacturing of co-extruded multilayer plastic tubes and is exporting around 35% of the total sales. Simultaneously with the marketing of tubes in the export markets, the Company has lot of enquiries for export of various products. The other items include all types of garments, toys and others. The said items may be easily procured from the domestic markets. Looking into the huge opportunities and scope for merchant export, which can be easily carried out along with the existing business activities, the Board feels that the Company should diversify its business activities. The existing Object Clause does not cover the said business activity. Hence it requires altering the object clause by insertion of the new clause No. 47 after clause No. 46 and the same is to be commenced.

None of the Directors is in any way, concerned or interested in the above resolution

**ITEM NUMBER 7**

As per the directions issued by Hon'ble Board for Industrial and Financial Reconstructions, New Delhi (BIFR) the company is required to issue, allot equity shares of Rs. 250 lacs at par to the promoters and / or promoter group therefore, in accordance with the provisions section 81 (1A) of the Companies Act, 1956, the approval of the members by way of special resolution is required. You are requested to pass the resolution as special resolution.

Mr. Arvind Machhar, Chairman cum Managing Director and Mr. Sandeep Machhar, Whole Time Directors is interested in this resolution.

**ITEM NUMBER 8**

The Registered Office of the Company is at present situated at the Gut Number 72, Village Pharola, Post Beedkin, District Aurangabad whereas the corporate office of the Company is situated at J-18, MIDC Area, Chikalhana, Aurangabad with effect from 01/10/2008. The present Registered Office is very far from the city and it is more convenient, economical and effective to carry on the secretarial work in the corporate office. In view of the same Board of Directors feels that the registered office of the Company be shifted from the Gut Number 72, Village Pharola, Post Beedkin, District Aurangabad to J-18, MIDC Area, Chikalhana, Aurangabad with effect from 01/10/2008. The Board recommends this resolution.

None of the Directors is in any way, concerned or interested in the above resolution.

**BY ORDER OF THE BOARD****PLACE: AURANGABAD****DATE: 31<sup>ST</sup> JULY 2008**

**ARVIND MACHHAR**  
**CHAIRMAN CUM MANAGING DIRECTOR**

**DIRECTORS' REPORT**

To,  
The Members of  
Apt Packaging Limited  
(Formerly known as Anil Chemicals & Industries Limited)

Dear Shareholders

The Directors are pleased to present their Twenty Eighth Annual Report on the performance of the company for the financial year ended on 31<sup>st</sup> March'2008.

1. **FINANCIAL PERFORMANCE**

Rs. in Lacs

PARTICULARS	YEAR ENDED ON 31/03/2008	YEAR ENDED ON 31/03/2007
Sales and other Income	2,468.18	1,880.73
<b>Less: Operating Expenses</b>	<u>2,012.58</u>	<u>1,589.73</u>
Profit before Interest and Depreciation	<u>455.60</u>	<u>291.00</u>
<b>DEDUCTIONS</b>		
Interest	48.05	34.93
Depreciation & Impairment	261.25	191.98
Operational Profit after Tax	146.30	64.09
Previous Year Income & Expenses	(2.50)	1.45
<b>NET PROFIT/(LOSS)</b>	<u>143.80</u>	<u>65.53</u>
Extra Ordinary Items (Waiver of SICOM interest)	1,278.03	-
Fringe Benefit Tax	(5.83)	(4.91)
<b>NET PROFIT/(LOSS)</b>	<u>1,416.01</u>	<u>60.62</u>
Reduction of Share Capital	345.43	-
Balance brought forward from previous year	(3,686.28)	(3,746.90)
<b>APPROPRIATION</b>		
Surplus available for Appropriation	Nil	Nil
<b>Balance carried to balance sheet</b>	<u>(1,924.84)</u>	<u>(3,686.28)</u>

2. **OPERATIONS**

During the year under review, your company has recorded sales and other Income of Rs.2,468.18 lacs compared to the earlier year of Rs.1,880.73 lacs thereby registering a growth of 31%. The PBDIT for the year was at Rs.455.60 lacs as compared to earlier year of Rs.291.00 lacs thereby registering a growth of 55%. The Company could achieve higher sales and profitability due to better product mix and higher exports. The exports during the year were for Rs. 716.07 lacs, against the earlier year Rs.372.95 lacs. The Company is making appropriate investments in the plant & machineries, balancing equipments etc. to maintain the growth.

a) **AMMONIUM NITRATE DIVISION:**

During the year under review the turnover of Ammonium Nitrate Division at Panoli has increased to Rs.576.34 lacs as compared to Rs.342.71 lacs and the production was 11209 M. Ton as compared to 13,226 M. Ton in the previous year. During the year Company concentrated more on production and sale of Granule Ammonium Nitrate instead of Job work business. The plant and machineries of the plant situated at Chikalhana are in the process of sale.

b) **EMULSIFIED ANFO DIVISION:**

Pending decision of the petition filed by the company against Coal India Limited the sole buyer of the Company's product, for price fixation the operations of the company's plant at Waidhan and Jharsuguda remained suspended. The Company is making efforts to resolve the matters to commence the production in the Waidhan plant.

c) **CO-EX TUBES DIVISION:**

During the year under review, the production of Co-ex Tube division was 381.76 lacs tubes as compared to the previous year production of 324.30 lacs tubes. The Company is putting more emphasis on production of tubes of higher diameters, tubes of different new varieties as per the need of the customer and increase in the volume by eliminating bottlenecks in production capacities and by installing new machineries as part of medium term planning for creating the optimum product mix in the best interest. The Company has made investment plan to achieve the same by installing new plant and machineries etc and accordingly investment are proposed to be made in near future. Your Directors are confident that the turn over and the profits of the division will further increase in the coming years.

3. **CHANGE IN THE NAME OF THE COMPANY**

The name of the Company has changed to Apt Packaging Limited from the earlier name Anil chemicals & Industries Ltd. This is as per the Board Resolution dated 19/03/2008 and subsequent approval of the same by members by way of Special Resolution in the Extra ordinary meeting dated 30/04/2008. The ROC have issued the certificate for change in the name on 19/06/2008.

4. **SANCTIONED SCHEME BY HON'BLE BIFR**

Hon'ble Board for Industrial and Financial Reconstruction has ordered the Sanctioned Scheme (SS) for the Company on 15/11/2007. The Company is taking up the various matters with all of the institutions, banks, government departments, unsecured & secured creditors and other agencies for implementation of the SS.

In accordance with the one time settlement derived upon with various financial institutions and banks, the company is regularly paying their dues as per the schedule of arrangement.

With regard to the sales tax liabilities of Government of Madhya Pradesh the company has already submitted them the proposal for restructuring the dues as per the SS and payment to them will be commenced immediately after getting the approval.

#### 5. EXPANSION PLANT AT UTTARANCHAL

As part of the overall strategy of the company and due to various other considerations the company is planning to expand its capacity by putting up a new manufacturing base in Uttaranchal.

#### 6. DIVIDEND:

In view of the accumulated losses, the Board conveys its inability to recommend any dividend for the year ended 31<sup>st</sup> March, 2008.

#### 7. FIXED DEPOSIT:

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

#### 8. INSURANCE:

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

#### 9. DIRECTORS:

Shri B.H. Tapdiya, Director of the Company is retiring by rotation and being eligible offers himself for re-appointment. During the year, Mr. Ravi Machhar has also been appointed the Director of the Company. The Board recommends their appointments.

In exercise of the power conferred under Section 16(4) of the Sick Industrial Companies (Special Provision) Act, 1985, the Hon'ble Board for Industrial and Financial Reconstruction has appointed Mrs. Aruna Makhan as Special Director of the Company with effect from 10/06/2008. The Board welcomes the new Director on the Board.

#### 10. 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.

#### 11. PARTICULARS OF EMPLOYEES:

The provisions of Section 217(2A) of the Companies Act, 1956, read with the provisions of the Companies (Particulars of Employees) Rules, 1975, are not attracted in case of any employee of the Company.

#### 12. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) 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.
- b) 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.
- c) 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.
- d) The directors have prepared the Annual Accounts on a going concern basis.

#### 13. AUDITORS' OBSERVATIONS:

- a. **Refer point no 2 of the Auditors Report:** The BIFR has sanctioned the scheme vide its order dated 15/11/2007. The Company is in process to obtain reliefs and concessions as envisaged in the sanctioned scheme from the related parties / agencies / authorities. The company is making payments of all OTS installments on time to the institutions with whom the settlement have been arrived. "In view of above the accounts of the year under review have been prepared on going concern basis Refer to note no. 6 & 7 of Schedule 12.
- b. **Refer Note No. 3 of the Auditors Report:** The reduction of capital is approved by the Annual General Meeting of the Company held on 30/09/2006 and is the part of the Sanctioned Scheme ordered by the BIFR. The same has been effected during the year. - Refer to note no. 8 & 25 of Schedule 12.
- c. **Refer Point No. 4 of the Auditors Report:** The formation of the Resulting Company in the name of "Machhar Infrastructure Limited" is in process and after formation; the relevant assets and liabilities will be transferred to this Company. The appointed-cut off date is 01/04/2007. Hence the profit and loss for the period from 01/04/2007 to 31/03/2008 relating to the operations of resulting Company will also be transferred to this new company. Refer to Note Num. 9 of Schedule 12
- d. **Refer Point No. 5 & 6 of the Auditors Report:** In view of regular & timely payment of OTS installments and reasonable certainty that the same will be continued in future and to present true & fair view, the management has accounted for the said waiver on percentage completion method. The total outstanding amount of the pending OTS installments to secured creditors is Rs.277.06 lacs and as per the financial position of the Company, earning capacity and other arrangements, the chances of any default in repayment of scheduled OTS installments is very remote. (Refer Note num 7 of Schedule 12.
- e. **Refer to point no 7(f) of the Auditors Report (Refer note No.17 of schedule 12):**  
In view of the company's writ petition NO 389/2000 admitted Hon'ble Calcutta High Court against Coal India Ltd for Rs.145.59 Lacs, which is still pending, the same is shown as good and recoverable and no provision as bad and doubtful debts is considered necessary by the management at this stage.  
Further In view of the company's writ petition No. 4055/1999 admitted by Hon'ble Jabalpur High Court against Northern Coalfields Limited for Rs.41.63 Lacs, which is still pending, the same is shown as good and recoverable and no provision as bad and doubtful debts is considered necessary by the management at this stage.
- f. **Refer to point no 7 (g) of the Auditors Report:** In view of the legal suit for recovery of dues from Sachit Plastics Pvt. Ltd pending in the court of law. In the opinion of the management, the same is recoverable and it would be prudent not to provide for interest on such dues and accordingly no provision for interest is made in the accounts. Refer to note no.10 of scheduled 12.
- g. **Refer Point No. 7(h) of the Auditors Report:** In respect of unsecured creditors/debtors, the company is following the system of perpetual confirmation and reconciliation. Accordingly, all the accounts are reconciled and adjusted as and when a note of discrepancy is received from the concerned party. Refer to note no. 14 of schedule12.

#### 14. SUBSIDIARY COMPANY

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

#### 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. COMPLIANCE CERTIFICATE

Shri B.H. Tapdiya, Director of the Company is retiring by rotation and being eligible offers himself for re-appointment. Mr. Ravi Machhar has also been appointed the Director of the Company. The Board recommends their appointments.

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**17. CORPORATE SOCIAL RESPONSIBILITY**

The Company is paying education allowance/expenses to its eligible workers and employees for one child. In spite of the heavy accumulated losses and lack of liquidity, the Company is striving hard to continue the manufacturing activities and come out of BIFR and thereby continue to keep the employment of the employees, contribute towards the exchequer by way of direct and indirect taxes, generate foreign exchange for the country through exports and contribute to the productivity of the Country.

**18. RELATION WITH EMPLOYEES**

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

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

- a) **Conservation of Energy:** The Company consistently pursues reduction in energy consumption in its manufacturing process on an ongoing basis.
- b) **Technology Absorption:** The Company has installed new Plant & Machinery with new technology during the year.
- c) **Foreign Exchange Earning and Outgo:** Foreign Exchange earning of the Company is Rs.693.36 lacs for the year under review, whereas the outgo is Rs.290.22 lacs.

**20. ACKNOWLEDGEMENT**

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

**BY ORDER OF THE BOARD****PLACE: AURANGABAD****DATE: 31<sup>ST</sup> JULY 2008****ARVIND MACHHAR  
CHAIRMAN CUM MANAGING DIRECTOR**

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

- |   |   |  |
|---|---|--|
| 1. Name of the Subsidiary Company   | : | Navneet Machines Mfg. Co. Pvt. Ltd.  |
| 2. Date from which it become subsidiary   | : | 16th May, 1985   |
| 3. Financial year of the subsidiary company ended   | : | 31 <sup>st</sup> March, 2008   |
| 4. (a) No. of equity shares held by Apt Packaging Limited<br>(Formerly known as Anil Chemicals and Industries Ltd.) and its<br>Nominees in the subsidiary as at the end of the financial year of<br>the subsidiary Company. | : | 9980 Equity shares of Rs.10/- each   |
| (b) Capital and reserves of the subsidiary as at the end of the financial<br>year of the subsidiary Company.  |   |  |
| i) Capital  | : | Rs. 1,00,000/-   |
| ii) Reserves and Surplus  | : | Rs. 17,116/-   |
| (c) Extent of interest of Apt Packaging Limited.  | : | 99.80% capital of subsidiary at the end of the<br>financial year of the subsidiary company |
| 5. Net aggregate amount of profits of the subsidiary so far as they<br>concern the members of the Apt Packaging Limited.  | : |  |
| a) Profit for the subsidiary's Financial year ended on 31/03/2008   | : | Nil  |
| b) Profits for the previous Financial years of the subsidiary since it<br>become the subsidiary of Apt Packaging Limited.   | : | Nil  |
| 6. Net aggregate amount of the subsidiary's profits not dealt within the<br>Accounts of Apt Packaging Limited.  | : |  |
| a) For the subsidiary's Financial year ended on 31/03/2008  | : | Nil  |
| b) For its previous Financial year  | : | Nil  |
| 7. Net aggregate amount of the subsidiary profits dealt within the<br>Accounts of Apt Packaging Limited.  | : |  |
| a) For the subsidiary's Financial year ended on 31/03/2008  | : | Nil  |
| b) For its previous Financial year  | : | Nil  |

**CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2008**

(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 (formerly known as Anil Chemicals and Industries Limited) consisted of two executive directors and two non-executive/independent directors, who are acknowledged as leading professionals in their respective fields. Subsequent to the financial year under consideration Mrs.Aruna Makhan (BIFR Nominee) and Mr.Ravi Machhar have been appointed as Director's of the Company

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

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

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

# This includes directorship held in private limited Companies.

Attendance of Directors at Board Meeting and Annual General Meeting

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

(1) 30<sup>th</sup> April, 2007 (2) 31<sup>st</sup> July 2007 (3) 31<sup>st</sup> October, 2007 (4) 25<sup>th</sup> January 2008 (5) 19<sup>th</sup> March, 2008.

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

Name of Director	Attendance	
	Board Meeting	Annual General Meeting
Shri Arvind Machhar	5	1
Shri Sandeep Machhar	3	1
Shri G. M. Bothara	5	1
Shri B.H. Tapdiya	5	1

There is no new appointment of any director during the year.

### 3. AUDIT COMMITTEE

During the financial year 2007-08, four meetings were held on the following dates:

(1) 30<sup>th</sup> April, 2007 (2) 31<sup>st</sup> July 2007 (3) 31<sup>st</sup> October, 2007 (4) 25<sup>th</sup> January, 2008

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

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

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

General Manager (F&A) of the company is the secretary of the Committee.

The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 10<sup>th</sup> September 2007.

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

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

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

### 4. REMUNERATION COMMITTEE

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

Name	Designation	Executive/Non-Executive/Independent
Shri G. M. Bothra	Chairman	Non-executive Independent
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 2007-2008, one meeting was held on 31<sup>st</sup> July, 2007 which was attended by all the members of the committee.



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Details of remuneration paid/payable to directors for the year ended March 31, 2008 are as follows:

Director	Relation-ship with other directors	Business relation-	Loans and advances ship with ACIL	Sitting fees* Rs. from ACIL	Salary and Perquisites Rs.	Commis-sion Rs.	Total
Shri Arvind Machhar	Related to Shri Sandeep Machhar	Promoter	NIL	Nil	973103	Nil	973103
Shri Sandeep Machhar	Related to Shri Arvind Machhar	Promoter	Nil	Nil	864245	Nil	864245
Shri G.M. Bothra	None	Professional	Nil	9000	Nil	Nil	9000
Shri B.H. Tapdiya	None	Professional	Nil	9000	Nil	Nil	9000

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

The Board has constituted an Investors Grievances Committee which looks into shareholders and investors grievances. The following are the members of the committee:

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

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

The minutes of the Shareholders'/Investors' Grievance Committee Meeting were circulated to the Board, discussed and taken note of. Secretary to the Committee is also the looking after day to day working related to transfer of shares, correspondence with the shareholders, SEBI, etc.

The said committee administered the following activities:

- To look into and supervise the redressal of shareholders/investors complaints like Transfer of shares, Transmission of shares, Issue of Duplicate Share Certificates, Change of Address, Change of Status, Change of Name Transposition of shares, etc.
- 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 2007-2008, one meeting was held on 31<sup>st</sup> July 2007 which was attended by all the members of the committee.

All request for dematerialization of shares as on that date were confirmed to the CDSL.

#### 6. GENERAL BODY MEETING

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

Annual General	Date Meeting	Time	Venue	No. of Special Resolutions passed
Twenty Fifth	21/09/2005	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad - 431105 (MS)	None
Twenty Sixth	30/09/2006	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad - 431105 (MS)	Five
Twenty Seventh	10/09/2007	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad - 431105 (MS)	Two

- No Resolution passed through postal ballot till date.
- Presently, the company does not have any transaction/proposal for postal ballot.

#### 7. DISCLOSURES

- No Transaction of material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transaction, in which directors are interested, is placed before the Board regularly.
- There are the related parties transactions i.e. transactions of the Company with its Promoters, Directors and Management not conflicting with Company's interest, the details of which have been shown in Note No 2 of Schedule 12 forming part of the Accounts for the year ended 31<sup>st</sup> March, 2008.
- There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchange does not arise.

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

Shri B.H.Tapdiya is liable to retire by rotation and being eligible offered him self for re-appointment. He is Commerce Graduate having vast knowledge about Income Tax, Excise, Sales Tax and allied matters. Mr.Ravi Machhar has been appointed as Director during the current year. He is an Industrialist having washed knowledge and experiences of business, industries and finance.

#### 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

22<sup>nd</sup> September, 2008 Monday at 11.00 AM  
Gut No. 72, Village Pharola,  
Post Beedkin, Tq. Paithan,  
Paithan Rd., Aurangabad - 431105

b) **FINANCIAL CALENDER**

The financial year of the company is April, 2007 to March, 2008.  
 Financial reporting for

- Quarter ending June 30, 2007	: Last week of July, 2007
- Half year ending September 30, 2007	: Last week of October, 2007
- Quarter ending December 31, 2007	: Last week of January, 2008
- Year ending March 31, 2008	: Last week of April, 2008

**ANNUAL GENERAL MEETING**

For the year ending March 31, 2008

- c) **Date of book closure** : 22<sup>nd</sup> September, 2008  
 d) **Dividend Payment Date** : 16<sup>th</sup> September, 2008 to 22<sup>nd</sup> September, 2008 (Both days inclusive)  
 e) **Dividend Payment Date** : No dividend is declared for the year

f) **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 2007-2008

f) **Scrip Code:** The scrip code of the Company is 506979 and ISIN No. of the Company is INE 046E01017

g) **Market Price Data:**

The monthly market price data of the shares of the company for the year are as under

Months	Bombay Stock Exchange	
	Low Rs.	High Rs.
April'2007	1.64	1.64
May'2007	1.72	1.72
June'2007	1.80	1.80
July'2007	1.89	1.89
August'2007	1.98	1.89
September'2007	1.98	1.98
October'2007	2.17	2.07
November'2007	2.17	2.74
December'2007	2.74	3.35
January'2008	3.35	3.95
February'2008	3.95	6.86
March'2008	6.86	12.34

h) **Registrar and Transfer Agents:**

Ms/ Intime Spectrum Registry Limited  
 C-13, Pannanlal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (W), MUMBAI – 400078 (MS)

i) **Share Transfer System:**

The Company has retained M/s Intime Spectrum Registry 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, 2008 is as given below:**

Slab of Shareholding	Shareholders	% to total	No. of Shares	% to total
Up to 5000	9751	93.3560	1455304	21.0650
5001 to 10000	403	3.8580	310605	4.4960
10001 to 20000	124	1.1870	184640	2.6730
20001 to 30000	40	0.3830	105015	1.5200
30001 to 40000	14	0.1340	51280	0.7420
40001 to 50000	20	0.1910	94150	1.3630
50001 to 100000	24	0.2300	176960	2.5610
100001 and above	69	0.6610	4530715	65.5800
<b>TOTAL</b>	<b>10445</b>	<b>100.000</b>	<b>6908669</b>	<b>100.000</b>

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

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that any delivery in the Company's shares against stock exchange trades became compulsory in demat format. As on 31/03/2008, 246766 equity shares (3.570% of the total number of shares) have been dematerialized.

l) **Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity : NIL**m) **Plant Locations:** The Companies plants are located at**Ammonium Nitrate Division:**

1. J-18, MIDC Area, Chikalthana, Aurangabad (MS) – 431006
2. Plot No. 614, GIDC Area, Panoli, Dist. Baruch (Gujarat) – 394116

**Emulsified ANFO / Emulsion Matrix Division:**

3. Plot No. 48/49, Udyog Deep Industrial Area, Waidhan, Dist. Sidhi (MP) 486886.
4. Village Nandrabad, Tq, Khultabad, Dist. Aurangabad (MS)
5. Plot No. 2/A-1, A-2, IDCO. Industrial Area, Jharsuguda – 768203 (Orissa)