

BOARD OF DIRECTORS

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

AUDITORS

: M/S RATHI & BANGAD
Chartered Accountant, Aurangabad

BANKERS

: PUNJAB NATIONAL BANK

REGISTERED OFFICE

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

LOCATION OF PLANT : CO-EXTRUDED TUBES DIVISION

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

**REGISTRAR AND TRANSFER: M/S LINK INTIME INDIA PVT. LIMITED
AGENT**

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

Notice of Annual General Meeting

NOTICE is hereby given that the 31st Annual General Meeting of the members of **Apt Packaging Limited** will be held on Friday, the 30th day of September, 2011 at 11:30 AM at the registered office of the Company situated at J-18, MIDC Area, Chikalthana, Aurangabad - 431006 (MS) to transact the following business:

ORDINARY BUSINESS

1. To consider, approve and adopt the Balance Sheet of the Company as on 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the report of the Statutory Auditors and the Directors thereon.
2. To appoint a director in place of Mr. Balaprasad Tapdiya, who retires by rotation and being eligible to offers himself for re-appointment.
3. To appoint M/s Rathi & Bangad, Chartered Accountants, as an Auditor of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next annual general meeting and also fix their remuneration.

SPECIAL BUSINESS

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

By order of the board

Arvind Machhar

Chairman cum Managing Director

Place: Aurangabad

Date: 31.08.2011

NOTES:

- 1) A member entitled to attend and vote and is also entitled to appoint a proxy to vote instead of himself and the proxy need not be a member of the company and the proxy in order to be valid must be deposited with the company at least 48 hours before the time for the meeting.
- 2) The Register of Members and the Share Transfer Books of the company will remain closed from September 26th, 2011 to September 30th, 2011 (both days inclusive).
- 3) The members are requested to intimate to Share Transfer Agent of the Company, changes, if any, in their registered address at an early date and bring the copy of the Annual Report and attendance slip at the Annual General Meeting.
- 4) In all correspondence with the Company/Registrars, members are requested to quote their registered folio number.
- 5) All the documents referred to in accompanying notice are open for inspection at the Registered Office of the company on all working days except Sunday and Holidays between 11.00 a.m. to 5.00 p.m. up to the date of Annual General Meeting.
- 6) Section 109A of the Companies Act, 1956, has introduced provisions for nominations 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 & 5:

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

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

Your directors recommend the resolution to pass as special resolution.

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

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

ITEM NO 6:

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

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

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

ITEM NO 7:

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

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

Annexure-1

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

I. GENERAL INFORMATION

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

II INFORMATION ABOUT THE APPOINTEES – MR NAWNIT MACHHAR

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

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

III OTHER INFORMATION

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

IV DISCLOSURES

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

DIRECTORS' REPORT

To,
The Members of
Apt Packaging Limited
Dear Shareholders

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

1. FINANCIAL RESULTS

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

2. PERFORMANCE REVIEW

During the year under review the company has recorded Sales & Other Income of Rs 2,071.72 lacs as compared to the earlier year of Rs 1996.61 lacs. The exports of tubes during the year declined against the previous year due to adverse market conditions overseas. During the year new plant at Uttarakhand could not made fully operational due to various reasons because of which operational losses have increased in comparison with the previous year. Increase in raw material cost and interest has further increased the operational cost whereas the price realization has declined due to competition and thereby operational margins have been adversely affected.

3. PROGRESS ON SANCTION SCHEME BY HON'BLE BIFR

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

4. OPERATIONAL PERFORMANCE

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

5. DIVIDEND:

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

6. FIXED DEPOSIT:

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

7. INSURANCE:

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

8. DIRECTOR

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

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

9. AUDITORS:

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

10. PARTICULARS OF EMPLOYEES:

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

11. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

12. INFORMATION TECHNOLOGY (IT)

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

13. HEALTH, SAFETY AND ENVIRONMENT

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

14. AUDITORS' OBSERVATIONS:

Refer Point No.2(f) of the Auditors Report: In respect of debtors, creditors, loans and advances(taken and given), balances with various statutory / fiscal liabilities (Assets & Liabilities) i.e. Excise deposits / balances, VAT(Sales Tax),CST, TDS / TCS, the company is following the system of perpetual confirmation and reconciliation. Accordingly, all the accounts are reconciled and adjusted as and when a note of discrepancy is received from the concerned party and in the opinion of management the ultimate difference will not be material. Refer to note no.14 of schedule13.

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

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

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

15. SUBSIDIARY COMPANY

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

16. REPORT ON CORPORATE GOVERNANCE

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

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

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

17. CORPORATE SOCIAL RESPONSIBILITY

The Company is making all efforts to improve efficiency on all fronts to sustain competition and thereby continue to keep the employment of the employees, contribute towards the exchequer by way of direct and indirect taxes, generate foreign exchange for the country through exports and remain in business.

18. RELATION WITH EMPLOYEES

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

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

a) **Conservation of Energy:** The Company consistently pursues reduction in energy consumption in its manufacturing process on an ongoing basis. The Company have been granted monetary Incentive from Govt. of Maharashtra for energy saving.

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

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

20. ACKNOWLEDGEMENT

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

BY ORDER OF THE BOARD

PLACE: AURANGABAD

DATE: 31-08-2011

ARVIND MACHHAR
CHAIRMAN CUM MANAGING DIRECTOR

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

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

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

Director	Executive/Non-Executive/ Independent*	No. of other Directorship#	Membership Committees/ Chairmanship
ShriArvind Machhar Chairman Cum Managing Director	Executive	Four	1/0
ShriSandeep Machhar Director	Non-executive**	Six	NIL
Shri Ravi Machhar Director	Non-executive	Nine	NIL
Shri Nawnit Machhar	Executive	Ten	NIL
ShriGheverchandBothara Director	Non-executive Independent	Two	2/2
ShriBalaprasadTapdiya Director	Non-executive Independent	Two	3/1

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

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

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

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

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

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

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

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

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

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

(g) is not less than 21 years of age

Attendance of Directors at Board Meeting and Annual General Meeting

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

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

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

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

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

3. AUDIT COMMITTEE

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

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

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

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

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

* Possesses expert knowledge in finance, accounts and taxation.

The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 10th July, 2010.

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

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

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

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

4. REMUNERATION COMMITTEE (Non-Mandatory Committee)

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

Name	Designation	Executive/Non-Executive/Independent
Shri G. M. Bothara	Chairman	Non-executive Independent
Shri B. H. Tapdiya	Member	Non-executive Independent

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

During the financial year 2010-2011, one meeting was held on 26th October, 2010 which was attended by Shri G.M.Bothara and ShriB.H.Tapdiya as the members of the committee.

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

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

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE (Mandatory Committee)

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

The following are the members of the committee:

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

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

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

The said committee administered the following activities:

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

During the financial year 2010-2011one meeting was held on 26thOctober, 2010 which was attended by all the members of the committee.

6. GENERAL BODY MEETING

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

Annual General Meeting	Date	Time	Venue	No. of Special Resolutions passed
Extraordinary General Meeting	30/04/2008	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad – 431105 (MS)	NIL
Twenty Eighth	22/09/2008	11.00 AM	Gut No.72, Village Pharola, Post Beedkin, Aurangabad – 431105 (MS)	Four
Twenty Ninth	25/07/2009	11.00 am	Gut No.72, Village Pharola, Post Beedkin, Aurangabad – 431105 (MS)	NIL
Thirtieth	10/07/2010	11.00 am	J-18, MID Area, Chikalthana Aurangabad	One

1. All the special resolutions indicated above were passed by show of hands as they are ordinary Special Resolution.
2. No Resolution Passed through postal ballot during the year, presently company does not have any transaction/proposal for postal ballot

7. DISCLOSURES

- No Transaction of material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transaction, in which directors are interested, is placed before the Board regularly.
- There are the related parties transactions i.e. transactions of the Company with its Promoters, Directors and Management not conflicting with Company's interest, the details of which have been shown in Note No 2 of Schedule 13 forming part of the Accounts for the year ended 31st March, 2011.
- There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchange does not arise.

8. NOTE ON DIRECTORS APPOINTMENT/RE-APPOINTMENT

Shri B.H.Tapdiya is liable to retire by rotation and being eligible offered him for re-appointment. He is an Industrialist having vast knowledge & experience of business, industry and finance.

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

9. MEANS OF COMMUNICATION

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

10. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

* Date, Day and Time

: Friday, September 30th, 2011 at 11.30 AM

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

b) FINANCIAL CALENDER

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

Financial reporting for

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

ANNUAL GENERAL MEETING

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

c) Date of book closure : September 26th, 2011 to September 30th, 2011

(Both days inclusive)

d) Dividend Payment Date : No dividend is declared for the year

e) Listing of Equity Shares on Stock Exchange:

- The Stock Exchange, Mumbai,
1st Floor, Rotunda Building, B.S. Marg, Fort Mumbai – 400001
- Annual Listing fees have been paid to the Stock Exchange for the financial year 2010-2011

f) Scrip Code: The 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)

f) Market Price Data:

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

g) Registrar and Transfer Agents:

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

h) Share Transfer System:

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

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

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

j) Dematerialization of shares and liquidity:

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that any delivery in the Company's shares against stock exchange trades became compulsory in d-mat format. As on 31/03/2011, 1,04,219 equity shares (3.78%) of the total number of shares) have been dematerialized. The new shares in the dematerialized form are yet to be issued after allotment of new ISIN number by CDSL which is pending for the receipt of in principal approval from BSE.

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

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

m) Address for correspondence:

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

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

Email ID: investors@aptpackaging.in

11. MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRIES STRUCTURE AND DEVELOPMENT

In developing countries the Co-extruded tubes manufactured by the company are used by the cosmetic industry for packaging of their cosmetic products but in the developed countries such as ours the cosmetics were packed in the laminated tubes. The trends are now changing and the cosmetic industry is shifting from laminated tube packaging to co-extruded seamless tube packaging. There is increasing demand of the product in the overseas/foreign markets. The demand in domestic/national as well as in export/International markets is expected to increase. The increased buying capacity of the middle income group in India has also increased the demand of the product.

OPPORTUNITIES AND THREATS

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

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

The use of co-extruded seamless tubes in the developed countries is not new; therefore export potential of the co-extruded seamless tubes to the developed countries is enormous. With the increased demand in the domestic market along with the continued exports the capacity utilization of the plant is likely to increase continuously which would result into improved productivity and profitability. The demand in the domestic market is also increasing. The Company has completed the installation of new plant at HARDWAR and also plans for expansion and de-bottlenecking plans at the Aurangabad unit to increase the level of production.

OUTLOOK

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

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

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

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

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

RISK AND CONCERN

Growing market due to change in consumer behavior

Attraction of quality packaging encouraging packaging industry

Opportunity to penetrate in North India market

Unhealthy Competition from unauthorized sector

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

1. Name of the Subsidiary Company	: Navneet Machines Manuf. Co. Limited.
2. Date from which it become subsidiary	: 16 th May, 1985
3. Financial year of the subsidiary company ended	: 31 st March, 2011
4. (a) No. of equity shares held by Apt Packaging Limited and its Nominees in the subsidiary as at the end of the financial year of the subsidiary Company.	: 9980 Equity shares of Rs.10/- each
(b) Capital and reserves of the subsidiary as at the end of the financial year of the subsidiary Company.	-
i) Capital	:Rs. 1,00,000/-
ii) Reserves and Surplus	:Rs. 17,116/-
I Extent of interest of Apt Packaging Limited.	:99.80% capital of subsidiary at the end of the financial year of the subsidiary company
5. Net aggregate amount of profits of the subsidiary so far as they concern the members of the Apt Packaging Limited.	:
a) Profit for the subsidiary's Financial year ended on 31/03/2011	: Nil
b) Profits for the previous Financial years of the subsidiary since it become the subsidiary of Apt Packaging Limited.	: Nil
6. Net aggregate amount of the subsidiary's profits not dealt within the Accounts of Apt Packaging Limited.	:
a) For the subsidiary's Financial year ended on 31/03/2011	: Nil
b) For its previous Financial year	: Nil
7. Net aggregate amount of the subsidiary profits dealt within the Accounts of Apt Packaging Limited.	:
a) For the subsidiary's Financial year ended on 31.03.2011	: Nil
b) For its previous Financial year	: Nil

Auditors' Certificate on clause 49 Compliance

The member's of Apt Packaging Limited

We have reviewed the records concerning the company's compliance of condition of corporate Governance as stipulated in clause 49 of the Listing Agreement entered in to, by the company with the Stock Exchange of India for the financial year ended on 31st March 2011.

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

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

Based on such review in our opinion the company has complied with the conditions of Corporate Governance *except not having whole time company secretary and remuneration committee constitute of two independent directors*, as stipulated in clause 49 of the said Listing Agreement

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

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

Date: 31 / 08 / 2011
Place: Aurangabad

Dilip D. Jain
Proprietor
M. No. 044301

REPORT OF THE AUDITORS
TO THE MEMBERS OF APT PACKAGING LIMITED

We have audited the attached Balance Sheet of **APT PACKAGING LIMITED** as at 31st March 2011, the Profit & Loss Account of the Company and the Cash Flow Statement for the year ended on that date (together referred to as "Financial statement"). These financial statements are the responsibility of the Company's management. Our responsibility is to express opinion on these financial statements based on our audit.

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

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

- 1) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of test checks of the books and the records of the company and according to the information and explanations given to us, we annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) Further to our comments in the Annexure referred to above, we report that:
 - a) Subject to what is stated at point no. 'f' below, we have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by Law have been kept by the company as far as appears from our examination of these books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
 - d) In our opinion, Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act 1956.
 - e) On the basis of the written representations received from the Directors, taken on record by the Board of Directors, and according to the information and explanations given to us, none of the directors is disqualified as on 31st March 2011 from being appointed as a Director under section 274(1) (g) of the Companies Act, 1956.
 - f) *The outstanding balances of debtors, creditors, loans and advances(taken and given), balances with various statutory / fiscal liabilities (Assets & Liabilities) i.e. Excise deposits / balances, VAT(Sales Tax),CST, TDS / TCS are subject to confirmations, reconciliation's and consequent adjustment, if any. (Refer Note No. 14 in schedule13.)*
- 3) In our opinion *Subject to what is stated in point no. f of paragraph 2 above*, and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and Notes to Accounts and *in particular Note no. 6 regarding contingent liability, Note no.7 regarding unimplemented portion of BIFR's Sanctioned scheme and Note 12 regarding balances etc with Micro, Small and Medium enterprises respectively (for details refer said notes in Schedule 13)* give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principals generally accepted in India:
 - a) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2011 and
 - b) In the case of Profit and Loss Account, of the "Loss" for the year ended on that date.
 - c) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Dilip D. Jain
Proprietor
M. No. 044301

Date: 31 / 08 / 2011
Place: Aurangabad

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

- 1)
 - a. The company has maintained proper records showing full particulars including quantative 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 fixes assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The Fixed assets are disposed off by the company during the year do not form a substantial part thereof.
- 2)
 - a. As informed to us, the stock of finished goods, work-in-process and raw materials at all the units of the Company have been physically verified by the Management once in a year except for the goods lying with the third parties. In our opinion, it should be conducted at least twice a year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation the size of Company and the nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account.
- 3)
 - a. The Company has taken loans from two directors, seven Shareholders, Four relatives of the Director, two promoters Group Company and Resulting Company covered in the register maintained under Section 301 of the Companies Act, 1956 to meet the short fall of Sanctioned Scheme. The maximum amount involved during the year is Rs. 792.72 Lacs including opening balance of Rs. 491.72 and the year end balance of loans Rs.474.04 Lacs.
 - b. According to the information and explanation given to us, out of the above loan amount of Rs. 360.45 Lacs is Interest free and balance Rs.432.27 is interest bearing. Out of interest free loan amount Rs. 360.45 Lacs, Rs 250.00 Lacs was converted into equity shares during the year. Hence with respect to amount of Rs. 250.00 Lacs, reasonable steps for the repayment do not arise. For interest bearing unsecured loans the interest is provided. The terms and conditions of these loans are not prejudicial to the interests of the company. The company is regular in repaying the loan amount and interest whenever applicable and as stipulated.
 - c. The Company had given unsecured loans of Rs. 1.11 Lacs to its wholly owned subsidiary. The same is interest