

Notice of Annual General Meeting

NOTICE is hereby given that the 35th **Annual General Meeting** of the members of **Apt Packaging Limited** will be held on Saturday, the 19th day of September, 2015 at 11:00 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, 2015 and the Profit and Loss Account for the year ended on that date and the report of the Statutory Auditors and the Directors thereon.
2. To appoint a director in place of Mr. G. M. Bothara, who retires by rotation and being eligible to offers himself for re-appointment
3. To ratify the appoint of M/s Rathi & Bangad, Chartered Accountants, as an Auditor of the Company.
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:-

“RESOLVED THAT, pursuant to section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made there under, Mrs. Rupali Bothar, who was appointed as an Additional Director of the company by the Board of Directors with effect from February, 10, 2015 and who holds office till the date of the AGM, in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mrs Rupali Bothara as a candidate for the office of a director of the company, be and is hereby appointed as a director of the company.

SPECIAL BUSINESS

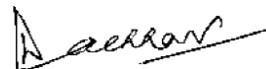
5. To re-appoint **Mr. Arvind Machhar (DIN: 00251843)** as Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of **Mr. Arvind Machhar (DIN: 00251843)** as Managing Director of the Company, for a period of 3 (three) years with effect from June 26th 2015, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Committees of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to **Mr. Arvind Machhar (DIN: 00251843)**, subject to the same not exceeding the limits specified under Schedule V of Part – II of Section II (A) to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Place: Aurangabad
Date: 30.05.2015

By order of the board



Mr. Arvind Machhar
Managing Director

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 15th, 2015 to September 19th, 2015 (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) As per provisions of the Companies Act, 2013, 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

ITEM NO: 4

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mrs. Rupali Abhijeet Bothara, as Independent Director, in compliance with the requirements of the clause. Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. The Nominations Committee has recommended the appointment of Mrs. Rupali Abhijeet Bothara as Independent Directors from February, 10th, 2015 who retires by rotation in accordance with the Articles of association and policy for Directors of the Company. Mrs. Rupali Abhijeet Bothara, non-executive director of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of this director as Independent Director is now being placed before the Members for their approval. The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday and Public Holiday.

A brief profile of the Independent Directors to be appointed is given below:

Mrs. Rupali Abhijeet Bothara is a Bachelor of Commerce and also holds a **Chartered Accountant Degree from the Institute of Chartered Accountant, Delhi** and she is also the **fellow** member of the Institute. She is currently working as a partner at Khandelwal Jain & Co., Office No. 108-112, 1st Floor, City Pride building, Mondha Naka Signal, Jalna Road, Aurangabad. – 431001, Maharashtra India.

She has vast knowledge of Company Law Compliance Matters, formation, and legal compliances of LLP, Statutory, Internal, MVAT & Tax Audit of Public Sector Undertakings, Companies, Financial Institutions, Bank concurrent Audits Consultancy on Income Tax, Service Tax, Matters including Representation before Tax Authorities.

She has acted as a Chairman Position of **Women Empowerment Committee of Aurangabad Branch of WIRC of ICAI** and Treasurer of Jain International Women Organization (JIWO) and **Member of Consumers Forum of LIC.**

ITEM NO: 5

Mr. Arvind Machhar was appointed as Managing Director of the company in the 32nd Annual General Meeting dated 29th September, 2012 for a period of three years with effect from 27th June 2012 to 26th June 2015 on the terms and condition including remuneration set out in the agreement entered in to between the company and Mr. Arvind Machhar. 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 26/06/2015 subject to approval of the members.

REMUNERATION:

1. Salary : Rs 1,55,000-10,000-1,75,000
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. Sandeep Machhar are interested in this resolution.

Further, a copy of statement containing information required to be given under Para (A) of Part II in section II to Schedule V 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 financial institutions appearing in the prospectus:- Not Applicable
- (4) Financial performance based on given indicators:- As per Annual Report Attached
- (5) Foreign investments or collaborations, 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, USA and holds position as Director in Six Companies.
- (2) Past remuneration:- 125000-10000-135000 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 33 years. Looking in to his vast experience in running the packaging Industry, your directors found his suitability of company
- (5) Remuneration proposed:- As per Explanatory statement Annexed in annual Report.
- (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 with respect to 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 | Shareholdings of Directors | % of shareholding |
|----------------|-----------------------------|-----------------------------------|--------------------------|
| 01. | Mr. Arvind Machhar | 7,65,508 | 14.54 |
| 02. | Mr. Sandeep Machhar | 51,572 | 1.17 |

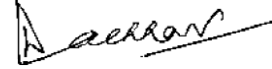
III. Other information:

(1) Reasons of loss or inadequate profits:- As reported in Director's Report under operational and performance review .

(2) Steps taken or proposed to be taken for improvement:- As reported in Director's Report under operational and performance review.

(3) Expected increase in productivity and profits in measurable terms:- The expected increase in turnover and profit before depreciation, Interest & tax would be 9% and 40% respectively during the year 2015-16 as compare to the financial year 2014-15.

By order of the board



Mr. Arvind Machhar
Managing Director

Place: Aurangabad
Date: 30.05.2015

DIRECTORS' REPORT

To,

The Members of

Apt Packaging Limited

Dear Shareholders

The Directors are pleased to present Thirty Fifth Annual Report on the performance of the company for the financial year ended on 31st March'2015.

1. FINANCIAL HIGHLIGHTS

(Rs in Lacs)

| PARTICULARS | YEAR ENDED ON 31.03.2015 | YEAR ENDED ON 31.03.2014 |
|---|-------------------------------------|-------------------------------------|
| Sales and other Income | 2,601.26 | 2,879.94 |
| Less: Operating Expenses | 2216.81 | 2489.22 |
| Profit before Interest and Depreciation | 384.45 | 390.72 |
| DEDUCTIONS | | |
| Interest | 461.58 | 460.65 |
| Depreciation & Impairment | 264.64 | 274.91 |
| Operational Profit before Tax | -341.77 | -344.84 |
| Previous Year Income / Expenses | 15.51 | -0.58 |
| Net Profit / (Loss) | -326.26 | -345.42 |
| Extra ordinary items – Profit on Sale of Fixed Assets | 0.00 | 177.66 |
| Income Tax | 0.00 | 0.00 |
| NET PROFIT FOR THE YEAR | -326.26 | -167.76 |

2. PERFORMANCE OF THE COMPANY DURING THE FINANCIAL YEAR:-

During the year under review 430.28 Lacs tubes were dispatched as compared to the previous year dispatches of 491.51 Lacs tubes. The sales and other income has declined to at Rs.2,601.26 Lacs as against Rs. 2,879.94 Lacs in the previous year. The decline was mainly due to overall weak overseas markets, lower demand from domestic customers, higher cost of raw materials, pressure on selling prices, cut through competition in product sector from new entrant.

In spite of decrease in sales the PBDIT remained nearly same at Rs. 384.45 Lacs as against Rs. 390.72 Lacs. This is due to well thought strategy of better product mix; higher automation; all around cost

reduction and control. The Company is making efforts to explore new customers and markets and the result of same are expected in current year.

3. MATERIAL CHANGES:-

During the period from 01.04.2015 to 30.05.2015 no material changes have been occurred yet to the close of financial year.

4. 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, 2015.

5. RESERVES

During the year under review no amount carry to any reserve to be given.

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS.

During the year under review company has not received any adverse notice from Ministry of Corporate Affairs, Tribunals, ROC, RBI and Central Government. However during the year Hon'ble High Court of Mumbai, Aurangabad Bench has set aside the order dated 18.09.2012 of Joint Director of Industries, Aurangabad and has upheld that the Company is entitled to get the reliefs and concessions from Government of Maharashtra in accordance to the Sanctioned Scheme ordered by Board for Industrial and Financial Reconstruction, New Delhi.

7. INTERNAL FINANCIAL CONTROLS.

During the year under review company has sufficient internal control policy & system for to take care of frauds and illegitimate practice.

8. STATUTORY AUDITORS

M/s. Rathi & Bangad, Chartered Accountants, Aurangabad, the Statutory Auditors of the Company has re-appointment for three years in previous Annual General Meeting held on 23rd August, 2014 of the company as per Companies Act 2013.

9. AUDITORS' OBSERVATIONS:

Refer Point No.1 of the Auditors Report: In respect of the accounts of the Company for the year have been prepared on 'Going Concern Basis', the BIFR has appointed Punjab National Bank as the operating agency. The Company has submitted Draft Rehabilitation Scheme (DRS) to OA and OA has submitted the DRS to BIFR. The sole banker Punjab National Bank has approved for re-schedulement of installments and concessions in rate of interest. "In view of above the accounts of the Period under review have been prepared on going concern basis". (Refer Note Number 36)

Refer Point No.2 of the Auditors Report: In respect of the debtors, creditors, loans and advances including inter corporate deposits (taken and given), balances with statutory / fiscal liabilities (Assets & Liabilities) i.e. Excise & Service Tax deposits / balances, 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 Note no.39)

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 Note No.35)

10. EXTRACT OF THE ANNUAL RETURN

The detailed information of the annual return in Form No MGT – 9 is attached with this Board's report.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows.

A) Conservation of energy:

- (i) **The steps taken or impact on 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.
- (ii) **The steps taken by the company for utilizing alternate sources of energy;** The Company has not taken any efforts for alternate source of energy due to financial constraints and also as the energy consumption is very low as compared to turnover.

(iii) **The capital investment on energy conservation equipments;** No investment during the year.

(B) Technology absorption:-

- (i) The efforts made towards technology absorption; The Company has not installed any new Plant or Machinery with new technology during the year.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution;** Same operational profits on lower turnover.

(C) Foreign exchange earnings and Outgo: Foreign Exchange earning of the Company is Rs.307.83 Lacs for the year under review, whereas the outgo is Rs.377.53 Lacs.

12. CHANGE IN DIRECTORS:

A) Changes in Directors and Key Managerial Personnel

The details about the changes in the directors or key managerial personnel by way of

Designation:- During the year Company has designated Shri. Arvind Machhar, Managing Director of the company as Key managerial personnel in the meeting of Board of Directors dated on 30th May, 2014.

Appointment:- During the year company has made following person on the Board of the Company.

| SR. NO | NAME OF PERSON APPOINTED AS DIRECTOR | DATE OF APPOINTMENT | CATEGORY |
|---------------|---|----------------------------|-------------------|
| 01. | Mrs. Rupali Bothara | 10/02/2015 | Independent |
| 02. | Mr. Bhushan Puranik | 10/02/2015 | Company Secretary |

Resignation:- During the year Company has approved Resignation tender by Mr. Bhushan Puranik, as a Company Secretary from the Board due to his personal and un-avoidable circumstances.

Re-appointment :- 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 appointment.

Declaration by an Independent Director(s) and re- appointment:-

A declaration by an Independent Director(s) that he/she/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has taken by the company enclosed. No independent director have completed a term of five consecutive years on the Board of a Company since their re-appointment as per Companies Act 2013 therefore no need to pass of a special resolution.

13. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:- The Board of Company met six times during the last financial year.

14. AUDIT COMMITTEE:- The Board of Company met four times during the last financial year.

15. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:- During the year Company has established sufficient vigil mechanism for directors and employees to report genuine concerns to disclose.

16. NOMINATION AND REMUNERATION COMMITTEE:- During the year Company has established one remuneration committee for fixing the remuneration package of directors & employee.

17. MANAGERIAL REMUNERATION:- As per details mentioned in attached Corporate Governance report.

18. SECRETARIAL AUDIT REPORT:- A Secretarial Audit Report given by Mr. Girish Bhandare and Associates, a Company Secretary in Practice is attached herewith.

19. CORPORATE GOVERNANCE CERTIFICATE :-

The Compliance Certificate from M/s. Rathi & Bangad, Chartered Accounts the auditors of the Company regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement is annexed with the report.

20. RISK MANAGEMENT POLICY:-

During the year Company has implemented sufficient risk management policy for the identification of elements of risk.

21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134(3) of the Companies Act, 2013, the Board confirms that:

- a) Applicable accounting standards have been followed with explanation for any material departures
- b) Selected accounting policies have been applied consistently 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 and loss of the company for that period.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- d) The annual accounts are prepared on a going concern basis; and
- e) Adequate internal financial controls system consisting of policies and procedures are adopted and adhered by the Company for orderly and efficient conduct of the business for safeguarding assets, prevention and detection of frauds and errors and maintenance of accounting records and timely preparation of financial statements and review its efficacy. In the opinion of Board such controls are adequate and are operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. ACKNOWLEDGEMENTS:-

The Board of Directors place on record their sincere gratitude to employees for their hard work, to Punjab National Bank as sole banker, to investors for their trust and confidence in the management and all concerned with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board of Directors

Place: Aurangabad
Date: 30.05.2015

Arvind Machhar
(Managing Director)

SECRETARIAL AUDIT REPORT

(For the period from 01.04.2014 to 31.03.2015)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
APT Packaging Ltd.
CIN: L24100MH1980PLC022746
Regd. Office: Gut No 72, Pharola village,
Post Beedkin, Aurangabad – 431005.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Apt Packaging Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31.03.2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Apt Packaging Limited** (“**The Company**”) for the period ended on 31.03.2015 according to the provisions of:

I. The Companies Act, 2013 (**the Act**) and the Rules made there under;

II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made there under;

III. The Depositories Act, 1996 and the Regulations and Byelaws framed there under;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **NIL**

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company :a.

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **NIL**

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **NIL**

d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **M/s Linkintime India Pvt. Ltd. C – 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400078 is the Authorised R & T of the company as per the agreement executed by the company.**

e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Trading in the shares of the Company is suspended at BSE due to procedural reasons.**

f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NIL**

g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, **Trading in the shares of the Company is suspended at BSE due to procedural reasons.**

and

h. The Memorandum and Articles of Association.

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) The Listing Agreements entered into by the Company with the BSE Limited,