



**APT PACKAGING LTD**

Report  Junction.com

**29<sup>th</sup> ANNUAL REPORT 2009**

**BOARD OF DIRECTORS**

ARVIND MACHHAR  
CHAIRMAN CUM  
MANAGING DIRECTOR

SANDEEP MACHHAR  
WHOLE-TIME DIRECTOR

RAVI MACHHAR  
DIRECTOR

GHEVERCHAND M. BOTHARA  
DIRECTOR

BALAPRASAD TAPDIYA  
DIRECTOR

**AUDITORS**

M/S RATHI & BANGAD  
Chartered Accountant, Aurangabad

**BANKERS**

PUNJAB NATIONAL BANK

**REGISTERED OFFICE**

GUT NO. 72, VILLAGE PHAROLA,  
POST BEEDKIN, Tq. PAITHAN,  
DIST. AURANGABAD 431105 (MS)  
Website: <http://www.aptpackaging.in>

**LOCATION OF PLANT****CO-EXTRUDED TUBES DIVISION**

Gut No. 72, Village Pharola,  
Post Beedkin, Tq.-Paithan,  
Dist.- Aurangabad 431105 (MS)

**REGISTRAR AND TRANSFER AGENT**

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

## **Notice of Annual General Meeting**

**NOTICE** is hereby given that the **29<sup>th</sup> Annual General Meeting** of the members of **Apt Packaging Limited** will be held on Saturday, the 25<sup>th</sup> day of July, 2009 at 11.00 AM at the registered office of the Company situated at Gut No. 72, Pharola Village, Paithan Road, 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, 2009 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 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 fix their remuneration.

By order of the board

Arvind Machhar  
Chairman cum Managing Director

Place: Aurangabad  
Date: 31<sup>st</sup> May '2009

### **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 20<sup>th</sup> July, 2009 to 25<sup>th</sup> July, 2009 (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.

**DIRECTORS' REPORT**

To,  
The Members of  
Apt Packaging Limited

Dear Shareholders

The Directors are pleased to present Twenty Ninth Annual Report on the performance of the company for the financial year ended on 31<sup>st</sup> March'2009.

**1. FINANCIAL RESULTS**

Rs. in Lacks

PARTICULARS	YEAR ENDED ON 31/03/2009	YEAR ENDED ON 31/03/2008
Sales and other Income	1,982.74	2,468.18
Less: Operating Expenses	1,655.62	2,011.51
Profit before Interest and Depreciation	<u>327.12</u>	<u>456.67</u>
<b>DEDUCTIONS</b>		
Interest	95.48	49.11
Depreciation & Impairment	191.44	261.25
Operational Profit before Tax	48.81	141.84
Previous Year Income / Expenses	11.42	(2.50)
<b>Net Profit / (Loss)</b>	<u>60.22</u>	<u>139.34</u>
Extra ordinary items -Waiver of Interest by Financial Institution	954.01	1,278.03
Income Tax (FBT)	(5.64)	(5.83)
<b>NET PROFIT FOR THE YEAR</b>	<u>1,008.59</u>	<u>1,411.54</u>

**2. PERFORMANCE REVIEW**

During the year under review the company has recorded sales and other income of Rs. 1971.07 lacs as compared to the earlier year of Rs. 2468.18 lacs. The exports during the year were for Rs. 499.67 lacs as against the earlier year Rs. 716.07 lacs. The decrease in turnover was mainly due to the de-merger and partly due to the decline in exports because of melt down in the world economy. The PBIDT for the year was Rs. 334.91 lacs as compared to the earlier year of Rs. 455.60 lacs. The lower profitability was due to the higher input cost and decline in exports besides also due to de-merger. The higher interest cost has also decreased the profitability for the year under review which on account of term loan for expansion and de-bottlenecking projects which would reap the results from next financial year.

During the year under review we are pleased to inform you that the company has fulfilled most of its obligations in accordance to the sanctioned scheme by BIFR. During the year remaining secured creditors also has since been fully paid. The balance waiver of Rs. 954.01 lacs have been written back by crediting it to the profit loss account, with this we are pleased to inform you that the net worth of your company now has become substantially positive which could be seen from the following chart:

S. No.	Particulars	Amount (Rs. In Lacs)
1.	Equity Capital	276.35
2.	Reserve & Surplus.	1,139.75
3.	Accumulated Losses	721.45
4.	Net Worth	694.65

**3. OPERATIONAL PERFORMANCE**

During the year under review 344.45 lacs tubes were produced as compared to the previous year production of 386 lacs tube. The company has put more emphasis on production of tubes of higher diameter and different dispensation system which we would result into higher value addition. Due to the de-bottlenecking cum expansion project in place your directors are of the view that the turnover and profit of the company would increase in the coming years.

The Company is implementing the expansion and de-bottlenecking project which is approx. 60% completed and the same is planned to be completed by July / August, 2009. After the completion the benefits will come and the top line and bottom line of the Company will further increase

**4. DEMERGER OF COMPANY**

Pursuant to the sanctioned scheme (SS) ordered by the Hon'ble BIFR, the demerger of the company has effected accordingly. (Ref. Note No 5 of Schedule 13)

**5. ISSUE OF NEW SHARES**

Pursuant to the sanctioned scheme and considering the effect of de-merger, capital restructuring and consolidation of shares, 27,63,467 number equity shares at Rs. 10/each has been issued to the respective shareholders

**6. PROPOSED EXPANSION PLANT AT UTTARAKHAND**

Because of the excise, income tax and sales tax benefits offered by the State and Central Government in Uttarakhand and as part of overall strategy of the company and to attain the long term sustainable competitive advantage, the company is expanding its capacity by putting up a new manufacturing facility in Uttarakhand.

**7. DIVIDEND:**

Even though the net worth of the company has become positive and the company also earned profit during the year but since the accumulated losses have not been fully wiped off, the Board of Directors express its inability to declare any dividend for the year ended 31st March 2009.

**8. FIXED DEPOSIT:**

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

**9. INSURANCE:**

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

**10. APPOINTMENT/REAPPOINTMENT OF DIRECTORS**

Shri G.M. Bothra, Director of the company is retiring by rotation and being eligible offers him for reappointment. The Board recommends his re-appointment. BIFR nominee Smt. Aruna Makhan, Director retires as per her terms of appointment after attaining the age of 65 years. The Board of Directors recognizes her contribution to the Board.

**11. 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.

**12. 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.

**13. 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.

**14. 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.

**15. 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.

**16. AUDITORS' OBSERVATIONS:**

- Refer to point no 3(f) 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.6 of scheduled 13.
- Refer Point No. 7(g) 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.8 of schedule 13.

**17. 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.

**18. 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.

**19. CORPORATE SOCIAL RESPONSIBILITY**

The Company is making all efforts 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.

**20. 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.

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

- 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.
- Technology Absorption:** The Company has installed new Plant & Machinery with new technology during the year.
- Foreign Exchange Earning and Outgo:** Foreign Exchange earning of the Company is Rs.442.97 lacs for the year under review, whereas the outgo is Rs.373.13 lacs.

**22. 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> MAY 2009

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 PVT. LTD**

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	: 31st March, 2009
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/-
(c) 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 31/03/2009	: 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 31/03/2009	: 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 31.03.2009	: Nil
b) For its previous Financial year	: Nil

**CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2009**

(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 directors, one non executive / promoter's group director, one special nominated / independent director 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) retired from the directorship of the company after attaining ceased to be as Director's of the Company

The constitution of Board in the year under consideration is as under:

Director	Executive/ Non-Executive Independent*	No. of other Directorship#	Membership Committees/ Chairmanship
Shri Arvind Machhar Chairman Cum Managing Director	Executive	Three	1/0
Shri Sandeep Machhar Whole-Time Director	Executive	Five	NIL
Shri Ravi Machhar Director	Non-executive	Eight	NIL
Smt. Aruna Makhan BIFR Nominated Director	Non-executive Special	Nil	2/0
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 four times during the last financial year, on the following dates:

(1) 30th April, 2008 (2) 31st July 2008 (3) 25th October, 2008 (4) 31st January, 2009.



29th Annual Report 2009

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	3	2
Shri Sandeep Machhar	4	2
Shri Ravi Machhar	2	1
Smt. Aruna Makhan	2	---
Shri G. M. Bothara	4	2
Shri B. H. Tapdiya	4	2

During the year Smt Aruna Makhan and Shri Ravi Machhar were appointed as new Directors of the Company

### 3. AUDIT COMMITTEE

During the financial year 2008-09, four meetings were held on the following dates:

(1) 30th April, 2008 (2) 31st July 2008 (3) 25th October, 2008 (4) 31st January, 2009.

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	Non-executive / Independent	Consultant	Four
Smt. Aruna Makhan	Member	Non-executive / Independent	BIFR Nominee*	One
Shri B. H. Tapdiya*	Member	Non-executive / Independent	Consultant	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 22nd September 2008.

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

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

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

### 4. REMUNERATION COMMITTEE

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
Smt. Aruna Makhan	Member	Non-executive Independent & Nominated
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 2008-2009, one meeting was held on 25th October, 2008 which was attended by Shri G. M. Bothara and Shri B. H. Tapdiya as the members of the committee.

Details of remuneration paid/payable to directors for the year ended March 31, 2009 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	11,33,006	Nil	11,33,006
Shri Sandeep Machhar	Related to Shri Arvind Machhar	Promoter	Nil	Nil	8,04,528	Nil	8,04,528
Smt. Aruna Makhan	None	BIFR Nominee	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

### 1. 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 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, 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 2008-2009, one meeting was held on 25th October, 2008 which was attended by all the members of the committee.

The CDSL is not creating the new ISIN Number for the new shares issued post capital reduction, de-merger and consolidation of the shares for want of in principal approval of the BSE. Therefore the Company could not issue these new shares to the shareholders holding shares in the electronic form. The Company has taken up the matter with the BSE and same is expected to be resolved shortly.

#### 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 Sepcial Resolutions Passed
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
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

In the twenty eighth Annual General Meeting the shareholders passed one special resolution under section 17 of the Companies Act, 1956 for alteration in the memorandum (object clause) and one more special resolution under section 146(2) of the Act for shifting of the registered office of the Company in the same city. However these resolutions could not be carried over as these transactions were required to be passed through postal ballot. Therefore the Company is started process for passing these resolutions through 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, 2009.
- ♦ 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.

#### 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 : 25th July, 2009 Saturday at 11.00 AM
- \* Venue : Gut No. 72, Pharola village, Paithan Road  
Dist. Aurangabad 431105

##### b) FINANCIAL CALENDER

The financial year of the company is April, 2008 to March, 2009.  
Financial reporting for

- Quarter ending June 30, 2008	: Last week of July, 2008
- Half year ending September 30, 2008	: Last week of October, 2008
- Quarter ending December 31, 2008	: Last week of January, 2009
- Year ending March 31, 2009	: Last week of May, 2009

#### ANNUAL GENERAL MEETING

For the year ending March 31, 2009

25th July, 2009



- c) Date of book closure : 20th July, 2009 to 25th July, 2009  
(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 2007-2008
- f) **Scrip Code:** The scrip code of the Company is 506979 and  
ISIN No. of the Company is INE 046E01017 (New ISIN is to be allotted by CDSL for new shares)
- g) **Market Price Data:**  
The trading in the shares of the Company was suspended since 15.04.2008 due to record date of 30.04.2008 fixed for issue of new shares post capital reduction, de-merger and consolidation of shares. The Company has made application to Bombay Stock Exchange for listing of the new equity shares. This application is under consideration of the exchange and the listing is awaited. In view of the same, the trading of the shares of the Company was done only in the month of April, 2008 in which is as under:

Months	Bombay Stock Exchange	
	High Rs.	Low Rs.
April 2008	19.74	12.86

- h) **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](mailto:sharad.patkar@linkintime.co.in)
- i) **Share Transfer System:**  
The Company has retained M/s Link Intime India Pvt. Limited, Mumbai to carry out the transfer related activities. All valid transfer are affected within stipulated days and taken on record by the Board of Director of the Company. Share Certificates and Transfer deeds are received at Registered Office and Share Transfer Agent for doing the needful. Trading in Securities of the Company can be done only in Dematerialized form and Company has signed agreement with Central Depository Services Limited.
- j) **Distribution of Shareholding as on 31st March, 2009 is as given below:**

Slab of Shareholding	Shareholders	% to total	No. of Shares	% to total
Up to 500	10009	97.7823	716286	25.9198
501 to 1000	98	0.9574	67254	2.4337
1001 to 2000	41	0.4005	62970	2.2787
2001 to 3000	15	0.1465	39096	1.4147
3001 to 4000	10	0.0977	35086	1.2696
4001 to 5000	11	0.1075	50668	1.8335
5001 to 10000	15	0.1465	111258	4.026
10001 and above	37	0.3615	1680849	60.8239
<b>TOTAL</b>	<b>10236</b>	<b>100.00</b>	<b>2763467</b>	<b>10000</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 31/03/2009, 1,04,219 equity shares (3.78% of the total number of shares) have been dematerialized. The new shares in the dematerialized form are yet to be issued after allotment of new ISIN number by CDSL which is pending for the receipt of in principal approval from BSE.
- l) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : NIL**
- m) **Plant Locations:** The Companies plant for co-extruded tube is located at Gut No. 72, Village Pharola, Tq. Paithan, Dist. Aurangabad (MS) 431105
- n) **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 : [deepakkhanelwal@aptpackaging.in](mailto:deepakkhanelwal@aptpackaging.in)  
Website : [www.aptpackaging.com](http://www.aptpackaging.com)
- o) **Exclusive e-mail ID for redressal of investors complaints**  
Email ID: [investors@aptpackaging.in](mailto: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. Due to the consistent efforts of the marketing team of the company the trends are now changing and the cosmetic industry is shifting from laminated tube packaging to co-extruded seamless tube packaging. There is good demand of the product in the overseas markets. The demand in domestic as well as in export markets is expected to increase.

## OPPORTUNITIES AND THREATS

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. The marketing team of our tube division has strategic plan to enter into export market and accordingly have participated in major cosmetic exhibition around the world. These efforts have started bringing results. 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 planned for expansion and de-bottlenecking plans to increase the level of production which is under implementation. The Company is also plans to install one new manufacturing unit in the State of Uttarakhand.

#### OUTLOOK

According to the order for Sanctioned Scheme by the BIFR your company has paid in full to all secured creditors and the net worth of the Company turns to positive.

#### RISK AND CONCERN

1. Higher raw material prices due to higher crude rates
2. Recession / slowdown in world economy
3. Increasing cost of man power

#### 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 2009.

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, 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

Date : 31/05/2009  
Place : Aurangabad.

Dilip D. Jain  
Proprietor  
M. No. 44301

#### 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 2009**, 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) The Demerger of the Company has taken place during the year which was approved by the Annual General Meeting held on 30.09.2006 and also give accent by the Honorable Board for Industrial and Financial Reconstruction (BIFR) with cut of date as on 01.04.2007. The resulting Company Machhar Infrastructure Limited is formed on 29.07.2008 under Registration No.185168 with Registrar of Companies (Mumbai). Hence in accordance with and to comply with the said order the Assets and Liabilities along with Turnover of resulting company up to 30.09.2008 has been duly transferred to resulting Company in accordance with the resolution passed and taken on record by the board of directors. (Refer Note No. 5 of Schedule 13)
- 3) The Company has approved the consolidation of authorized, issued and paid up equity share capital of the company into Rs.10/- per shares in its Extra ordinary General Meeting held on 30.04.2008 and accordingly implemented during the year. (Refer Note No.20 in Schedule No.13)
- 4) We are unable to express our opinion about the recoverability of inter corporate deposit of Rs.111.43 Lacs to M/s Sachit Plastics Pvt. Ltd. against which the company has filed a suit for recovery, still shown as good and recoverable. (Refer Note No.6 in Schedule No.13).
- 5) 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.