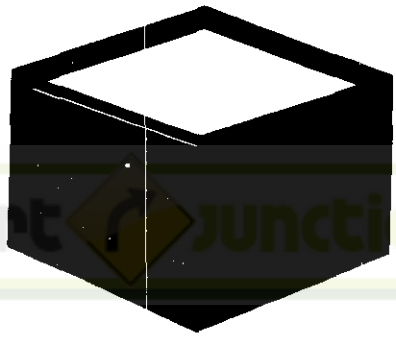
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16TH

ANNUAL REPORT



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1999–2000

CORE
EMBALLAGE

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DIRECTORS	:	JUSTICE BIPINCHANDRA J. DIVAN SHRI BALDEV RAJ HANDA SHRI SUSHIL KUMAR HANDA SHRI AJAY CHAUDHRY (Nominee by ICICI) SMT. DIVYA DEEPTI HANDA
MANAGING DIRECTOR	:	SHRI SUNIL HANDA
EXECUTIVE DIRECTOR	:	SHRI RAJIV MEHTA
AUDITORS	:	M/S. C. R. SHAREDALAL & CO. Chartered Accountants Ahmedabad
BANKERS	:	DENA BANK BANK OF BARODA THE SOUTH INDIAN BANK LTD.
REGISTERED OFFICE	:	"CORE HOUSE" Off C.G. Road Near Parimal Garden Ellisbridge Ahmedabad–380 006
FACTORY	:	Village : Radhu Taluka : Matar District : Kheda Gujarat

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Notice

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of **CORE EMBALLAGE LIMITED** will be held on Monday, the 18th day of September, 2000, at 10.30 a.m. at the Conference Room, Ahmedabad Textile Mills Association (ATMA), Opp. National Chamber, Ashram Road, Ahmedabad–380 009 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the year ended on that date and the report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Baldev Raj Handa, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Divya Deepti Handa, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Subject to the provision of sections 198, 269, 309 and any other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and pursuant to Article No. 18 of the Articles of Association of the Company and subject to the approval of the Central Government, if required, Shri Sunil Kumar Handa be and is hereby reappointed as the Managing Director of the company for a period of 5 (Five) years with effect from 1st April, 2000 on the following terms and conditions :

(i) Salary : Rs. 1,25,000/- per month.

(ii) Commission and other Perquisites :

Commission and other perquisites including Dearness allowance, other allowance shall be decided by the Board of Directors of the company based on the net profit of the Company each year subject to condition that the aggregate remuneration of the Managing Director shall not exceeding 5% of the Net Profit of the Company, in accordance with Sections 198, 309 and Schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT in case of loss or inadequate of Profit in any Financial Year during the currency of his tenure as Managing Director, the payment of salary, commission and other perquisites shall be restricted to the limits specified in section II of part II of Schedule XIII of the Companies Act, 1956 as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to increase, enlarge, vary and modify the remuneration payable to him, including salary, dearness allowances, perquisities, commission and other allowances etc. upto the limits prescribed in this behalf under Schedule XIII of the Companies Act, 1956 or any further statutory revision, modification, clarificatons or re-enactment thereof from time to time in force and/or the guidelines for managerial remuneration issued by the Central Government from time to time and from the date the statutory provisions and/or the guidelines coming into force without any further reference to the company in General Meeting.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorised to do all such acts, deeds, things, matters as may be considered necessary, desirable or expedite to give effect to this resolution."

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6. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to provision of section 31 and other applicable provisions, if any, of the Companies Act - 1956, the Articles of Association of the company be altered in the following Manner,"

After Article 7, the following new articles be inserted to be numbered as 7(A) to 7(J).

7(A) Dematerisation of securities :

Notwithstanding anything contained in these Artcles, the Company shall be entitled to dematerialise or rematerialise its shares/debentures and other Securities (both existing and future) held by the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act 1996 and the Rules framed thereunder, if any.

7(B) Options for Investors :

Every person holding or subscribing to Securities offered by the Company shall have the option to receive the Security certificates to hold the Securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the Securities.

Where a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of such Security and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Security.

7(C) Securities in Depositories to be in fungible form :

All Securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners.

7(D) *Right of Depositories and Beneficial Owners* :

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of Security on behalf of the beneficial owner;

(ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the Securities shall not have any voting rights or any other right in respect of the Securities held by it;

(iii) Every person holding Securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities held by a Depository

7(E) Depository to furnish information :

Notwithstanding anything to the contrary contained in the Act or these Articles, where the Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs or such other mode as may be prescribed.

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7(F) Sections 83 and 108 of the Act not to apply :

Notwithstanding anything to the contrary contained in these Articles -

(i) Section 83 of the Act shall not apply to the shares with a Depository;

(ii) Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

7(G) Transfer of Securities

(I) Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferror and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities Dealt with by a Depository

(II) Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive numbers of Securities held in a Depository.

(III) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held in a Depository.

7(H) Register and index of beneficial owners

The Register and index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and index of Members and security holders for the purposes of these Articles.

7(I) Company to recognise the rights of Registered Holders as also the Beneficial Owners in the records of the Depository :

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things, matters as may be considered necessary, desirable or expeditious to give effect to this resolution."

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NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME AT WHICH THE MEETING IS SCHEDULED TO BE HELD. THE PROXY FORM IS ATTACHED HEREWITH.

2. Register of Members and Share Transfer Books shall remain closed from Friday the 15th September, 2000 to Saturday the 16th September, 2000 (both days inclusive).

3. The explanatory statement as required under section 173(2) of the Companies Act, 1956 for item No.5 is annexed to this notice.

4. The company's shares are listed on :

- Ahmedabad Stock Exchange, Kamdhenu Complex, Opp. Sahjanand College, Ambawadi, Ahmedabad-380 015.
- Mumbai Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
- National Stock Exchange of India Ltd., Trade World, Kamala Mill Compound, 2nd Floor, Senapati Bapat-Marg, Lower Parel, Mumbai-400 013.
- The Delhi Stock Exchange Ass. Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi-110 002.

Annual Listing Fees for the year 2000-2001 has been paid in full with all the Stock Exchanges.

5. Members are advised to avail nomination facility as per the Companies (Amendment) Ordinance, 1999 for which nomination form is available with the Company.

6. Members are advised to consolidate different folios holding under the same name.

Registered Office :
"CORE HOUSE", Off C.G.Road
Near Parimal Garden, Ellisbridge,
Ahmedabad-380 006.

By order of the Board of Directors

Place : Ahmedabad.
Date : 27th May, 2000

RAJIV MEHTA
Executive Director

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ANNEXURE TO NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.

Item No. : 5

Shri Sunil Kumar Handa has been associated with the Company since inception and acting as a director since 1986 and as Managing Director of the company since 1995. He possesses technical as well as managerial qualification and having experience over 18 years. Shri Sunil Kumar Handa is BE(BITS) Pillani and done MBA (IIMA).

The members at the 11th Annual General Meeting held on 2nd September, 1995 had approved the appointment of Shri Sunil Kumar Handa as Managing Director of the company for a period of 5 (five) years with effect from 29th July, 1995. The Board of Directors of the company at their meeting held on 27th May, 2000 have subject to the approval of the members, re-appointed Shri Sunil Kumar Handa as Managing Director of the company for further period of 5 years with effect from 1st April, 2000 on the terms and conditions set out in the resolution as mentioned above.

Members are requested to accord their approval to the appointment of Shri Sunil Kumar Handa as Managing Director of the company for a period of 5 (Five) years with effect from 1st April, 2000 on the terms and conditions contained in the resolution.

The proposed resolution alongwith the explanatory statement which set out the material terms and conditions of the appointment of Shri Sunil Kumar Handa be treated as abstract and memorandum of interest in accordance with section 302 of the Companies Act, 1956.

None of the directors except Shri Sushil Kumar Handa, Shri Baldev Raj Handa, Smt. Divya Deepti Handa and Shri Sunil Kumar Handa himself is concerned or interested in the said resolution.

Item No. : 6

The Securities and Exchange Board of India by its notification, made it compulsory for the company to dematerialise its securities under Depositories Act-1996. This will facilitates scriptless trading of securities.

This system offers wide range of advantages both to the investors as well as to the Company. To avail the Dematerialisation/Rematerialisation, the Artciles of Association of the Company would required to be amended in a manner, mentioned in item No.6 above.

The resolution at item no.6 is being proposed as a Special Resolution.

Members are requested to accord their approval to amend the Articles of Association as mentioned in the resolution.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alteration will be available for inspection at the Registered Office of the Company during office hours on any working day.

None of the Directors of Company is concerned or interested in the resolution set out in item No.6.

Registered Office :
"CORE HOUSE", Off C.G.Road
Near Parimal Garden, Ellisbridge,
Ahmedabad 380 006

By order of the Board of Directors

Place : Ahmedabad
Date : 27th May, 2000

RAJIV MEHTA
Executive Director

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Directors' Report

To,

The Members of the Company,

Your directors have pleasure in presenting the Sixteenth Annual Report of your company together with the audited accounts for the year ended on 31st March, 2000.

FINANCIAL RESULTS

	Year ended on 31-03-2000	(Rs.in lacs) Year ended on 31-03-1999
Total Income	**2951**	3503
Gross Profit/(Loss)	**0203**	0488
Profit/ (Loss) after interest	**(1437)**	(1173)
Profit/ (Loss) after depreciation	**(1959)**	(1806)

DIVIDEND

In the absence of profit, your company is skipping dividend for the year 1999-2000.

PREFERENCE SHARES

During the year under consideration, your company has issued and allotted 16.5% Cumulative Redeemable Participating Preference Shares of Rs. 10/- each aggregating to Rs. 20 crores for cash at par on Private Placement basis to ICICI Limited. The said Preference Shares are not carrying dividend for two financial years.

OPERATIONS

During the year under review your company has seen a continued sales growth trend with its existing and new customers except a sales decline with only one customer. Despite this the company has added many prestigious groups as new customers. By doing this your company has balanced its portfolio of customers wherein change in trend with one of the customer will not affect your company's operations adversely.

Your company has continued the trend of customer education and R & D activities and has published a book called "Corrugated Box Handbook" which was appreciated and acknowledged by the Indian Institute of Packaging, many other users, manufacturers and educational institutions. This publication will definitely help in improving general awareness regarding packaging quality and will help in upgrading the packaging to the worldclass standards.

ECO Division has continued its growth trend with product portfolio enlargement, new designs and new areas. Especially ECO has got major break-throughs in the area of P.O.P's and merchandising which is a very fast growing market wherein it has obtained orders from large multinationals and other corporates. Your company has also launched "Eco-Logic" brand which is going to be a chain of retail showroom/ franchisee shops selling Eco-friendly products manufactured and developed by your company as well as out sourcing many more. Your company also has started a showroom in Ahmedabad and has franchised showrooms in Bangalore and Pune. These products are getting encouraging response from the direct consumers. This has also strengthened the goodwill of your company in the corporate world as a quality and innovative product supplier.

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During the last quarter of the year under review, the paper market went through a major price increase due to non-availability/increased price of imported waste, increased price of Dollar to Rupees and increase in excise duty in the last budget. The temporary phase of scarcity of raw material affected the performance in the last quarter. However, your company has successfully overcome this setback, and continued its growth trend. In fact with the indications of the improvement in overall Economic growth your company is hopeful of doing much better as it has already created a very strong customer base.

Due to heavy finance charges, profitability of the company was adversely affected. Your company is discussing restructuring package with various term lenders. The company is discussing and exploring various areas through which its financial cost can come down making your company's cash flow healthy.

DIRECTORS

Shri Baldev Raj Handa and Smt. Divya Deepti Handa retire by rotation and being eligible, offer themselves for reappointment during the year under review.

At the Board Meeting held on 27-05-2000, Board of Directors of the company has reappointed Mr. Sunil Kumar Handa as Managing Director with effect from 1st April, 2000 for a period of 5 (five) years subject to the approval of members at General Meeting.

FIXED DEPOSITS

As on date of this report, there is no unclaimed or overdue fixed deposits.

AUDITORS

The auditors, M/s. C. R. Sharedalal & Company, Chartered Accountants, Ahmedabad retire at the Annual General Meeting and are eligible for re-appointment.

PERSONNEL

Particulars required in accordance with section 217(2A) of the Companies Act and read with the Companies (Particulars of Employees) Rule, 1975 forming part of this Directors' Report are attached with the Annual Report.

The Directors record their appreciation of the efforts of all the members of the staff during the year.

MATTER REQUIRED TO BE REPORTED AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY :

Continuous efforts are put in to conserve the energy at all levels.

B. TECHNOLOGY ABSORPTION :

Necessary efforts are being made for indegenisation of spares, consumables and tool for all imported machineries.

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