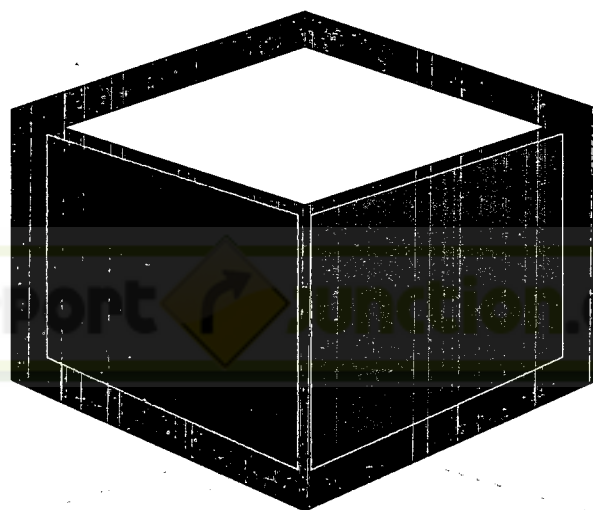


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ANNUAL REPORT

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EMBALLAGE

CORE EMBALLAGE LIMITED

**CORE EMBALLAGE LIMITED**

CHAIRMAN : SHRI (JUSTICE) BIPINCHANDRA J. DIVAN

MANAGING DIRECTOR : SHRI SUNIL HANDA

**EXECUTIVE DIRECTOR &
CHIEF EXECUTIVE OFFICER (CEO)** : SHRI RAJIV MEHTA

DIRECTORS : SHRI BALDEV RAJ HANDA
SMT. DIVYA DEEPTI HANDA
SHRI (DR.) BIMAL PATEL

CHIEF FINANCIAL OFFICER (CFO) : SHRI AKSHAY CHANDAN

AUDITORS : M/S. C. R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS
AHMEDABAD

BANKERS : DENA BANK
BANK OF BARODA

REGISTERED OFFICE : "CORE HOUSE"
OFF C. G. ROAD
NEAR PARIMAL GARDEN
ELLISBRIDGE
AHMEDABAD - 380 006
GUJARAT

FACTORY : VILLAGE :- RADHU
TALUKA :- MATAR
DISTRICT :- KHEDA
GUJARAT



CORE EMBALLAGE LIMITED

Notice

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting of the Members of **M/s. CORE EMBALLAGE LIMITED** will be held on Monday, the 22nd day of September, 2008 at 10:30 a.m. at the "Conference Hall", Ahmedabad Textile Mills' Association (ATMA), Opp. National Chamber, Ashram Road, Ahmedabad 380 009 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008, 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 Smt. Divya Deepti Handa who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri (Dr.) Bimal Patel, who retires by rotation and being eligible, offers himself 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**.

In partial modification of the resolution passed by the Members of the Company at their meeting held on 30th July, 2007, "RESOLVED THAT pursuant to the provision of Section 198, 269 and 310 of the Companies Act, 1956 ("the Act") read with Part II of Schedule XIII to the Act, and also subject to the approval of the Central Government, If required, the revised remuneration as provided below now and hereinafter be paid to Shri Rajiv Mehta as the Executive Director of the Company for his remaining tenure i.e. 01-04-2007 to 30-09-2009 :

REMUNERATION :

Rs. 1.25 Lacs p.m. [with maximum limit of Rs. 1.75 Lacs p.m. (inclusive of all)]"

"RESOLVED FURTHER THAT except to the extent modified above, the resolution passed by the Members of the Company at their Meeting held on 30th July, 2007 including the terms and conditions of appointment of Shri Rajiv Mehta as the Executive Director of the Company for his remaining tenure shall remain the same."

"RESOLVED FURTHER THAT where in any financial year closing on and after April 1, 2007, the company has no profits or its profits are inadequate, the Company may continue to pay the enhanced remuneration with the approval of Central Government or otherwise the company shall pay to Shri Rajiv Mehta remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Section II of part II of Schedule XIII of the Companies Act, 1956, as amended for the time being in force."

**CORE EMBALLAGE LIMITED**

"RESOLVED FURTHER THAT in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to Schedule XIII of the Companies Act, 1956 the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit of ceiling in order to give effect to such modification(s), relaxation(s) or variation(s) 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 take such steps as may be necessary to give effect to this resolutions"

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. The Register of Members and Share Transfer Books shall remain closed from Friday, the 19th day of September, 2008 to Monday the 22nd day of September, 2008 (both days inclusive).
3. Members are advised to avail Nomination facility as well as Dematerialisation facility.
4. With effect from 08-08-2006, the company has appointed M/s. Intime Spectrum Registry Limited, 211, Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009 as Registrar and Transfer (R & T) Agent for carry out work relating to transfer as well as dematerialisation of shares. The members/ investors, having any query in this regards be communicated to this agency.
5. The company for the purpose of redressal of investor grievances has created an Email ID "investorcomplaints@gmail.com." This will facilitate to the investors to communicate any grievances to the company directly.
6. The explanatory statement as required pursuant to section 173 (2) of the Companies Act, 1956 for item No. 5 is annexed to this notice.

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

By Order of the Board of Directors

RAJIV MEHTA
 Executive Director & CEO

Place : Ahmedabad
 Date : 29th April, 2008



CORE EMBALLAGE LIMITED

Annexure to the Notice

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

Item No. 5

Shri Rajiv Mehta is having experience of more than twenty years. Shri Rajiv Mehta is associated with the company from the project stage and has made good contribution in the field of management and turnaround of the company. He has played the main role in obtaining One Time Settlement (OTS) packages from all Term Lenders. Due to this, the company achieved positive networth and is on the growth path. The Board in the year 2006-2007, had reappointed him as Executive Director of company for a term of 3 (three) years, with a remuneration of Rs. 1 lac p.m. (inclusive of all). However, considering the remuneration package being provided to the Executive Director/Chief Executive Officer (CEO) of other companies with the same size, the board decided to re-consider the remuneration package being paid to Shri Mehta for his remaining tenure. Looking to his experience and qualification the Board has recommended to pay Rs. 1.25 Lacs p.m. (inclusive of all) as remuneration, with a maximum limit of Rs. 1.75 Lacs p.m. (inclusive of all) on incremental basis.

Shri Mehta is also holding directorship in Chrysalis Finance Limited and Chrysalis Industries Limited. He holds 5,054 equity shares in the company.

The above may be treated as an abstract under section 302 (2) of the Companies Act, 1956.

Members are requested to accord their approval to the revision in the remuneration to be paid to Shri Rajiv Mehta as the Executive Director of the company for his remaining tenure.

None of the directors except Shri Rajiv Mehta is concerned or interested in the resolution.

General Information forming part of the notice in terms of notification dated 16-01-2002 issued by the Department of Company Affairs (Ministry of Corporate Affairs)

I GENERAL INFORMATION :

- ❖ **Nature of Industry :** The Company is engaged in the business of manufacturing of corrugated boxes.
- ❖ **Date or expected date of commencement of Commercial Production :** The company was incorporation on 15-02-1984 and was engaged in the business of financial activities and in the year 1996 as a diversification started Commercial Production of manufacturing of corrugated boxes.
- ❖ **In case of new companies, expected date of commencement of activities as per project approved by financial Institutions appearing in the prospectus:** Not Applicable.
- ❖ **Financial Performance based on given indicators:** As per published audited financial results for the year ended on 31-03-2008.

Particulars	Amount Rs. (Rs. in Lacs)
Turnover and other income (including trading sales Rs, 1,17,88,688)	2990.38
Net Loss for the year	(525.60)
Accumulated Losses	(5259.44)
Net Worth	1780.06



CORE EMBALLAGE LIMITED

- ❖ **Export Performance and Net Foreign Exchange Collaborations:** Not Applicable
- ❖ **Foreign Investment or Collaborators, if any :** Not Applicable

II INFORMATION ABOUT THE APPOINTEE :

- ❖ **Background Details of Shri Rajiv Mehta :**

Shri Mehta is M.Com, LLB., M.E.P. (IIM-A) by qualification and having total corporate experience of more than twenty years. He has been included in the board as members w.e.f. 28-10-1996 and since then he is acting as the Executive Director of the company. As the Executive Director he is looking after all the day-to-day affairs of the company under the supervision of Board of Directors. Under his stewardship, the company has come out of the purview of BIFR.

- ❖ **Past remuneration :**

Particulars	Amount (in Rs.) p.m.
Salary (inclusive of all)	Rs. 1 lac

- ❖ **Recognition or Award :** He is Hon. Secretary of Ahmedabad Management Association (AMA) and a member of Supply Chain Management Committee in Confederation of Indian Industry (CII).

- ❖ **Job Profile and his suitability:** Shri Rajiv Mehta is in charge of overall affairs of the company like production, finance, purchase, marketing, administration etc. under the guidance of the Board of Directors of the company.

Taking into consideration his qualification and experience Shri Rajiv Mehta (Executive Director) is an appropriate choice for the responsibilities assigned to him by the Board of Directors.

- ❖ **Proposed Remuneration :**

Particulars	Amount (in Rs.) p.m.
Salary (inclusive of all)	Rs. 1.25 Lacs (with maximum limit of Rs. 1.75 Lacs (inclusive of all) on incremental basis

- ❖ **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.r.t. the country of his origin) :** Taking into consideration the size of the company, the profile of the appointee, the responsibility shouldered, and the nature of the work, the revised remuneration to be paid to Shri Rajiv Mehta is commensurate with the remuneration package paid to similar senior level appointees in other companies with the same size.
- ❖ **Pecuniary Relationship directly or indirectly with the company, or relationship with managerial personnel:** Besides the remuneration proposed as above, the Executive Director do not have any other pecuniary relationship with the company or any other managerial personnel.

III OTHER INFORMATION :

- ❖ **Reasons of loss or inadequate profits:** Heavy investment with low return, industry controlled by small players, heavy depreciation burden and turnover of manpower. The industry is very competitive and margins are very very low.

**CORE EMBALLAGE LIMITED**

- ❖ **Steps taken or proposed to be taken for improvement:** With same infrastructure/goodwill trading activities started. Reduction in manufacturing cost. Increase in numbers of franchisees; focus on total packaging solutions with the improvement in design capabilities.
- ❖ **Expected increase in productivity and profits in measurable terms:** The above measures undertaken are expected to yield positive result in the coming years and will lead to better performance and reduction in loss.

IV DISCLOSURES :

The proposed remuneration to be paid to Shri Rajiv Mehta has already been mentioned at column No. : II.

Registered Office :

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

By Order of the Board of Directors

RAJIV MEHTA
Executive Director & CEO

Place : Ahmedabad
Date : 29th April, 2008

**CORE EMBALLAGE LIMITED****Directors' Report**

To,

The Members of the Company,

Your directors have pleasure in presenting the Twentyfourth Annual Report of your Company together with the audited accounts for the year ended on 31st March, 2008.

FINANCIAL RESULTS

	Year ended on 31-03-2008	(Rs. in lacs) Year ended on 31-03-2007
Gross Sales	3310	3010
Gross Profit/(Loss)	36	22
Profit/(Loss) after depreciation	(523)	(499)

DIVIDEND

In the absence of profit, your company is skipping dividend for the year ended on 31-03-2008.

OPERATIONS

Your Directors are pleased to inform that your company has maintained stability and has shown increase in the total sales. The Corrugated Paper industry is going through tough times as there have been substantial rate increases in the material cost such as Kraft Paper, Starch, Stitching wire etc. The increase in the overall cost is creating lot of pressure on the margins.

Your company has added one more franchisee during the year and has further strengthened its network of providing total packaging solutions at the Customer's end.

Your company has started the work of installing new solid fuel fired boiler. The project will be over by June-2008 and will result in substantial cost savings for the company.

Your company has started trading activity also during the year and has achieved a turnover of more than Rs. 1 crore. There is a good scope for trading division as the company is having good infrastructure, goodwill and human assets. Your company is seriously considering to increase the focus on trading activities. Your directors are also working out the possibilities of demerger/sale of assets to make your company debtfree as well as generate working capital for trading activities.

As stated in the earlier reports, your company is no longer a sick industrial company, however as the accumulated loss of the company is more than half of its net-worth, the company is a potential sick industrial company.

The second installment of repayment of Preference Shares was due, but your company has not made the payment of any installments/dividend so far due to the financial constraints.

RESTRUCTURING OF THE COMPANY.

As explained above, the company has good scope of increasing trading activity through the new trading division if there is no constraint of working capital funds. The company is not having adequate profits/funds to repay the unsecured loans and the installment towards redeemable participating preference shares along-with the dividend payable. If the manufacturing division is demerged on slum sale basis the

**CORE EMBALLAGE LIMITED**

company can become debtfree and also can generate working capital of Rs. 3 crores. The company has made necessary representation to the stock exchanges for obtaining No Objection Certificate (NOC). Once the NOC is received the company will approach to Hon'ble High Court of Gujarat under section 391-394 of the Companies Act, 1956 for conveying the meetings of the creditors, shareholders etc under the direction and supervision of the High Court of Gujarat.

DEMATERIALISATION OF SHARES

As on 31-03-2008, 1,24,70,727 Equity Shares have been Dematerialised, out of which 1,15,19,492 Equity Shares dematerialised with National Securities Depository Limited (NSDL) and 9,51,235 Equity Shares with Central Depository Services (India) Limited (CDSL). It means 91.54% of total shares have been Dematerialised. International Security Identification Number (ISIN) of the company's equity shares is **INE218C01016**.

DIRECTORS

During the year under review, Smt. Divya Deepti Handa and Shri (Dr) Bimal Patel, retire by rotation and being eligible, offer themselves for reappointment

The remuneration Committee meeting held on 26-07-2007, has approved the revise remuneration to be paid to Shri Rajiv Mehta as Executive Director for his remaining tenure. The Board of Directors has also approved the same subject to your consent.

You are therefore requested to accord your consent.

FIXED DEPOSITS

During the year under review, Company has not accepted and/or renewed any Deposits as provided under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rule, 1975. There is no unclaimed or overdue Fixed Deposits.

The case which was filed by Registrar of Companies, Gujarat against the company, in the year 2005 in the Court of Addl. Chief Metropolitan Magistrate under section 58A (1) of the Companies Act read with Rule 3 (2) (i) of the Companies (Acceptance of Deposits) Rules 1975 has been disposed off in view of the withdrawal of the Complaint by the Registrar of Companies, Gujarat.

AUDITORS

The auditors, M/s. C. R. Sheredalal & Company, Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have also consented to act as Auditors of the Company.

AUDITORS' REPORT

Observations of the Auditors' are self-explanatory and have been appropriately dealt with in the Notes on Accounts as attached to this report. To avoid duplication of work, the Board has not provided the same here.

AUDIT COMMITTEE

During the year, the Audit Committee meetings were conducted as per the provisions of Listing Agreement with the Stock Exchanges. The details about the Role, Power of the committee enumerated in the Corporate Governance forming part of this report.



CORE EMBALLAGE LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors state that :

- I) in the preparation of the annual accounts, the applicable accounting standards had been followed along-with proper explanation relating to material departures except accounting standard No.:- 28.
- II) Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 31st March, 2008 and of the profit or loss of the Company for that year.
- III) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- IV) the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

In pursuance to Clause 49, as amended from time to time, of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report and Management Discussion and Analysis Report are given elsewhere and forming part of this Report.

PERSONNEL

None of the employee is in receipt of annual remuneration of Rs. 24.00 lacs p.a. or Rs. 2.00 lacs per month, a limit as prescribed under Companies (Particulars of Employees) Rule, 1975 and hence information as required under section 217(2AA) read with Companies (Particulars of Employees) Rule, 1975 not provided for.

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

CONSERVATION OF ENERGY

- a) **Energy conservation measures taken:-** The Company has obtained GEB connection and therefore electricity generation thru DG Sets is not required, resulting into non use of Diesel. Necessary efforts are put to conserve the energy at all levels.
- b) **Additional investments and products, if any, being implemented for reduction of consumption of energy:-** The Company is using 10 ton Furness Oil fired Boiler. The calculation and the actual data indicates that 5 to 7 ton Boiler can workout. Company has placed an order for a 5 ton Solid Fuel Fired Boiler. This will save a lot of energy.
- c) **Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: -** The working on installation of Solid Fuel Fired Boiler has been considered because running the existing Furness Oil Fired Boiler is very expensive and the change of fuel will result into substantial savings for the company.
- d) **Total energy consumption and energy consumption per unit of production-** Not Applicable.