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INNOVATIVE

TECH PACK LIMITED

BOARD OF DIRECTORS**Managing Director**

Mr. K. S. Rao

Director

Air Vice Mshl (Retd) R.K. Malhotra

Mr. Atul Brar

Mr. S. S. Virdi

(Nominee of HFC)

Mr. Mahavir Singh

(Nominee of HSIDC)

Vice President (F&A) & Company Secretary

Mr. Sanjai Maheshwari

AUDITORS

BGJC & Associates

202, Raj Tower 1, G-I

Alaknanda Community Centre

New Delhi-110 019.

BANKERS

Punjab National Bank

Nehru Place

New Delhi - 110 019.

REGISTERED OFFICE

51, Roz-Ka-Meo Industrial Area

Sohna, Distt. Mewat

Haryana.

CORPORATE OFFICE

1109-1110, Chiranjiv Tower

43, Nehru Place

New Delhi - 110 019.

FACTORIES:-

51, Roz-Ka-Meo Industrial Area

Sohna, Distt. Mewat, Haryana

Rungta Industrial Compound

Rudrapur (Uttanchal)

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INNOVATIVE TECH PACK LIMITED**NOTICE**

Notice is hereby given that the Nineteenth Annual General Meeting of the members of Innovative Tech Pack Ltd. will be held at the Registered Office of the Company situated at 51, Roz - Ka- Meo Industrial Area, Sohna Distt: Gurgaon (Haryana) on Thursday , the 25th September, 2008 at 11.00 A.M to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the Year ended 31st March 2008, Balance Sheet as at 31st March 2008 and reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Air Vice Mshl (Retd) R. K. Malhotra who retires by rotation and conveyed unwillingness for re - appointment as Director' in the forth coming Annual General Meeting.
3. To consider & if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/S BGJC & Associates, Chartered Accountants, who retire but being eligible offer themselves for re-appointment, be & are hereby re-appointed as Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at remuneration to be decided by the Audit Committee of the Board from time to time."

SPECIAL RESOLUTION

4. To consider, and if thought fit, to pass with or without modification (s), the following resolution as Ordinary resolution:

"RESOLVED THAT in accordance with the provision of Section 257 and other applicable provision, if any, of the Companies Act, 1956, Mr Atul Brar, who was appointed as additional Director from 25.10.07 be and is hereby appointed as a Director of the Company, liable to retire by Rotation."

Place: New Delhi

Date: 30.07.08

By order of the Board of Directors
for Innovative Tech Pack Ltd

SANJAI MAHESHWARI
V.P (F&A) & COMPANY SECRETARY

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective, must be lodged with the company not later than 48 hours before the meeting.
3. The Register of Members and share transfer books shall remain closed from 25.09.2008 to 27.09.2008 (both days inclusive) for the purpose of Annual General Meeting.
4. Only bonafide members of the Company whose names appear on the Register of members/proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting.
5. Members who hold shares in dematerialised form are requested to write their Client Id and DP Id numbers and those who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO.4**

Mr Atul Brar was appointed as additional Director on the Board of the Company from Oct 25, 2007 till the conclusion of this Annual General Meeting. The Board recommends that he may be appointed as a Director liable to retire by rotation.

The company has received a notice along with requisite fee from a member under section 257 Of the Companies Act, 1956, proposing the candidature of Mr Atul Brar as Director of the company liable to retire by rotation.

Your Directors recommend the resolution for approval of the shareholders.

Mr Atul Brar is interested in this resolution to the extent of his appointment as a Director. No other director of the Company is concerned / interested in the proposed resolution.

INNOVATIVE TECH PACK LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the Annual Report together with the audited Balance Sheet and Profit & Loss Account of Innovative Tech Pack Ltd. for the year ended March 31, 2008.

FINANCIAL RESULTS:-

	31.03.2008	31.03.2007
		(Rs. in lacs)
Net Sales(Less excise duty)	2773.96	2682.55
Other Income	11.18	27.30
Expenses	2488.62	2631.00
Profit before Depn. & Tax	296.52	78.85
Depreciation	171.15	129.56
Profit/(Loss)before prior period adjustment and tax	125.37	(50.71)
Prior period adjustment	20.59	2.35
Impairment loss	-10.22	6.08
Excess provision for the previous year Written back	299.88	10.47
Profit (Loss) before tax	414.88	(48.67)
Provision for Tax	-38.34	27.37
Net Profit (Loss)	453.22	(76.04)

BUSINESS PERFORMANCE

The Company's total income and PBDIT (Profit before depreciation, interest & tax) amounted to Rs 2773.96 lacs (previous year Rs 2682.55 lacs) and Rs 515.87 lacs (Previous year Rs 218.28 lacs). During the year, the company was able to turnaround and has achieved a net profit of Rs 453.22 lacs.

The Company continues to adopt its core policy of working on value added products and focusing on better margins for its products and this policy has yielded the desired results and is reflected in the financial performance of the company. The Company's products continue to command market demand and caters to the needs of the well known manufacturers all over the country. The performance of your company was in line with the expectation. Your Company's strategy of keeping the production flexible among various products, improved the sales revenue. Moreover, the price of the raw material & other consumable particularly power and fuel has been increased considerably with no corresponding increase in sale price due to stiff competition from unorganized sector.

DIVIDEND

The Board of Directors of your company after carefully examining the overall financial position of the Company and future business opportunities and investment made for the recently commissioned project at Uttaranchal, considered it desirable to not recommend any dividend for the financial year under review.

NEW PROJECT/ EXPANSION PLANS

Your directors are pleased to inform you that the expansion made by the company at Uttaranchal during the last year has stabilized during the current year. The new plant is operating at optimum capacity. However in order to meet extra demand of FMCG Sector, the company is contemplating to make further expansion at Rudrapur (Uttaranchal) Plant.

STATUS OF DRAFT REHABILITATION SCHEME

Your company was declared sick on January 4, 2006 under the provisions of SICA Act by the Board for Industrial and Financial Reconstruction and Punjab National Bank has been appointed as Operating Agency to make and furnish the proposal for the revival of the Company. Your Company has to furnish a detailed Draft Rehabilitation Scheme (DRS) to Operating Agency i.e. Punjab National Bank. Thereafter the Bank will make a final Rehabilitation Scheme to BIFR for its consideration and approval.

CORPORATE GOVERNANCE

Your Directors reaffirm their sense of responsibility to the Corporate Governance Standard prescribed by the Securities Exchange Board of India. A report on Corporate Governance along with Auditors Certificate on its compliance has been included separately in the Annual Report.

INNOVATIVE TECH PACK LIMITED**DIRECTORS' RESPONSIBILITY STATEMENT**

It is hereby declared:-

- 1) That in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- 2) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of 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.
- 3) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- 4) That the directors had prepared the annual accounts on a going concern basis

ONE TIME SETTLEMENT (OTS) WITH SECURED CREDITORS

During the year, your company has successfully repaid the total amount of principal and interest payable thereon to one of its secured creditors i.e. Haryana Financial Corporation.

The One Time Settlement with Punjab National Bank is progressing well and a total amount of Rs 149.60 lacs has been paid to them up to March, 08. The Company has also approached for a change in the payment pattern which is being evaluated by the Bank.

The company is also at an advanced stage of negotiation for entering into One Time Settlement (OTS) with H.S.I.D.C. The Company is committed to meet monthly payments to Bank and Institution out of its projected future cash in flows.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

As required by Companies (Disclosures of particulars in the Report of Board of Directors Rules, 1988), the relevant data pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure A to this report.

DIRECTORS

Air Vice Mshi (Retd.) R.K. Malhotra is liable to retire by rotation, however he conveyed his unwillingness for re-appointment as director of the company in the forthcoming Annual General Meeting. The company proposes to fill the vacancy caused due to his unwillingness for re-appointment as director of the company in future

AUDITORS AND THEIR OBSERVATIONS

M/s BGJC & Associates, Chartered Accountants, New Delhi, retire at the conclusion of the ensuing Annual General Meeting and are being eligible for re-appointment. The Company has received Certificate from them u/s 224 (1B) of the Companies Act, 1956 & the Audit Committee recommends their re-appointment as Auditors for a further period of one year. The observations in the Auditors report are clarified wherever necessary in the notes attached to the accounts at the appropriate place.

PERSONNEL

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, no employee is eligible to be included in the list as desired in the above mentioned section and rules. Your Directors wish to place on record their sincere appreciation for the devoted services of all employees of the Company.

FIXED DEPOSITS

Your Company has not accepted any Fixed Deposits from the Public during the year under review.

ACKNOWLEDGMENTS

The Directors wish to place on record their sincere appreciation for the whole-hearted support received from banks, Financial Institutions and Central & State Governments for their consistent support to the Company.

The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

On behalf of the Board

Place: New Delhi
Date: 30.07.2008

K.SAYAJI RAO
Chairman & Managing Director

ANNEXURE 'A' TO DIRECTORS REPORTS

Particulars as required under Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March 2008.

1. CONSERVATION OF ENERGY

Your company is not covered by schedule of industries under Rule 2 of the Companies (Disclosure of particulars in the Report of the Board Of Directors). Rules, 1988 requiring furnishing of information in report of conservation of energy. However, the company is of the opinion that energy conservation is a continuous programme and hence Company has laid emphasis on creating awareness amongst employees for improving efficiency of machinery and equipments. In all the divisions of the Company there is a conscious and concerted drive towards conservation of energy in all its forms. Replacement of worn-out wires, control of idle running of engines and plugging of leakage were some of the measures taken to conserve energy during the year. Besides the measures already taken, efforts are continuing to examine and implement fresh proposals for further conservation of energy. Positive impact of measures already taken has been felt on the cost of production.

2. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**a) RESEARCH DEVELOPMENT**

The Company has indigenously developed moulds thereby saved precious foreign exchange.

b) TECHNOLOGY ABSORPTION

The technology imported from Japanese and French Collaborators has been well absorbed by the Company and is being updated on a regular basis by keeping abreast of the latest developments in the field.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not earned any income in foreign exchange during the year under report. However, Company has incurred Rs. 89780 towards foreign travelling for Business Promotions.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE

The packing industry plays an important role in the overall development of our economy. It not only plays a crucial role in meeting the daily needs of the common man, but also contributes significantly towards industrial and economic development of our country. The Indian Plastic industry has taken great strides in its quest for success. The industry itself is growing at a fast pace & the per capita consumption of plastic in the country has increased manifold. India is expected to be the Third largest consumer of plastic after US & China by 2010. PET comes among the major plastics that has grown fast world wide for packaging. The demand for PET bottles has been increased from 40 KT in 2003 to 130 KT in 2008. However, the PET industry is highly fragmented with a host of small & medium sized units. Most of them in unorganized sector are able to influence the price & demand-supply situation. The situation has further worsened by the large companies setting up in-house facility to cater their needs. In the face of increasing competition & fight for securing a place in the market, manufacturing units are compelled to improve the technology, upgrade the economies of scale as well as scope. Despite many adversities, the Industry is growing by making efforts to explore various new vistas.

2. FUTURE OUTLOOK

Expanding markets and narrower margins remain the predominant economic reality as companies have to contend with enhanced global competition. This is also true for ITPL; our product demand is expected to enhance in future, coupled with an increasing challenge to manage competition across diverse markets. The Company has successfully commissioned a new production facility at Uttranchal which has since stabilized the production. The production capacity of the new plant has been exploited to full extent by catering the demand of existing big customers i.e. Dabur & Perfetti who have established their new production base in the region on account of favourable Govt. policies prevalent in the State. The Company has also taken initiatives to explore new market in this area. Your company expects to leverage the synergies of scale following the successful implementation of new project. As a conscious corporate citizen, your company believes in enhancing value for stakeholder benefit, driving its growth engine.

PET product is the choice of the current milieu. Its utilities and advantages need not be repeated but what needs a recitation is definitely the benefits that has accrued to the users at large. PET products have integrated themselves to the style and emotion of the users. The company look forward to greater reach and market share with newer consumers and applications in the years to come.

3. OPPORTUNITIES, CHALLENGES & THREATS

Your Company with a well-set infrastructure facilities and more than a decade long experience in PET industry is poised to move against all odds. Further the Company's ability to develop and supply quality products as per the requirements and specifications of the customers has been well appreciated in the market and it has put in better facilities vis - a vis its competitor to further improve its performance. The Company is exploring various business opportunities in confectionery, personal and home care segment and Company was successful in exploiting some of the business opportunities in these areas. The Company endeavors its best to capitalize on any business opportunity in the existing as well as new areas.

4. FUTURE STRATEGY

Your Company has taken several initiative to catalyze growth & profitably and to drive shareholders value. Several key actions were taken to put into place drivers with both long term growth strategy and short term profitability. The customers are the pivot around which business evolves and grows. Therefore new markets & market opportunities are being identified and started its implementation during the year under review.

The Company is envisaging to make further expansion at Rudrapur plant to derive the benefit of economy of scale to serve their clients efficiently.

5. INTERNAL CONTROL SYSTEMS

Your Company has developed internal control systems and laid down procedures commensurate to its size and business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly. An internal audit is conducted to complement the internal control system. The internal control system is devised to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets. Audit Reports are placed before the Audit Committee of the Board for consideration & discussion. Issues raised therein are being suitably acted upon and followed up. The Company has also established a process for creating and reviewing the annual and long term business plan periodically.

6. RISKS AND CONCERNS

The Company has taken adequate preventive and precautionary measures to overcome all negative factors responsible for down trend to ensure steady growth.

Any change in the tax regime direct or indirect financial policies and regulations by Central as well as State Govt. may affect the financial position of the Company.

7. HUMAN RESOURCE DEVELOPMENT

The company places its utmost value on the human resource and contribution from employees is always towards to achieve the overall organization performance by constant education, training and various incentive schemes, which are in vogue. Your Company realizes that its people will drive growth. The Company continues to emphasize on its commitment to acquire, develop and sharpen its human potential.

8. SAFETY AND ENVIRONMENT

Your Company's initiatives are focused on resource conservation and are aimed at preserving and protecting the natural resources for future generations. Your Company continues to recognise the importance of national regulations and ensures 100% compliances thereof.

9. CAUTIONARY STATEMENT

Statement in the Directors' Report and Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statements, within the meaning of applicable securities laws and regulations. Actual results, performances or achievements may vary materially from those expressed or implied depending on economic conditions, Government policies and other incidental factors.

CHIEF EXECUTIVE OFFICER CERTIFICATION IN TERMS OF CLAUSE 49 (V) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES:

We, K. Sayaji Rao, Managing Director and Sanjai Maheshwari, Chief Financial Officer of Innovative Tech Pack Ltd., hereby certify to the Board that:

- [a] We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2008 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- [b] There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- [c] We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have valued the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- [d] We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in internal control during the year.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

By Order of the Board of Directors
INNOVATIVE TECH PACK LTD.

Place: New Delhi
Date: 30.07.08

(K.Sayaji Rao)
Managing Director

(Sanjai Maheshwari)
Chief Financial Officer

INNOVATIVE TECH PACK LIMITED**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2007-08**

Your Company's philosophy on Corporate Governance is to ensure highest level of transparency, integrity and accountability in all its operations and in its dealings with all stakeholders i.e. Shareholders, Employees, Government, Banks and Financial Institutions.

BOARD OF DIRECTORS - COMPOSITION

1. The Board comprises of One Executive Director, two independent non-executive Directors nominated by Haryana Financial Corporation & Haryana State Industrial Development Corporation respectively and two independent non-executive Directors. No member of the Board is a member in more than 10 Committees and the Chairman of more than 5 Committees, the details are given hereunder:

Name	Category of Director	No. of Outside Directorships	No. of membership in other Committees	No. of Chairmanship in other Companies
Mr. K.S. Rao	Managing Director	1	2	NIL
Air vice Mshl (Retd) Mr. R.K. Malhotra	Non-Executive Director	NIL	2	NIL
Mr. Atul Brar	Non-Executive Director	1	2	1
Mr. S.S. Virdi	Nominee Director - HFC	NIL	3	NIL
Mr. Mahavir Singh	Nominee Director - HSIDC	4	4	NIL

During the year under review five Board Meetings were held. The gap between the two meetings was not more than three months. The details of Board Meeting are given below:

Name	No. of Board Meeting attended	Attendance at the last AGM	Remarks
Mr. K.S. Rao	5	Yes	
Air vice Mshl (Retd) R.K. Malhotra	5	No	Liable to retire by rotation but not to be re-appointed in the forthcoming A.G.M due to his unwillingness
Mr. Atul Brar	2	Yes	
Mr. S.S.Virdi	Nil	No	
Mr. Mahavir Singh	Nil	No	

Note: The Meetings of the Board of Directors were held during the financial year on 31.05.07, 22.08.07, 29.08.07, 25.10.07, & 30.01.08

.In addition to the matters statutorily required including all the information laid down in the Corporate Governance Code for approval of the Board, all major items relating to the mobilisation of resources, capital expenditure, investments, acquisitions, technologies & risk management & material important legal matters are placed before the Board & discussed.

AUDIT COMMITTEE

The Company has reconstituted the Audit Committee on 27th March 2003. The terms of the reference of the Audit Committee is to review the entire working with the Management and the Auditors:

- Overview of company's financial reporting process and the disclosure of its financial information to ensure that financial statements are correct and credible.
- Recommending the appointment/ re- appointment / removal of External / Internal Auditors, fixation of Audit fees and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the Board.

INNOVATIVE TECH PACK LIMITED

The Audit Committee comprises of three non-executive independent directors. The Chairman of the audit committee is Mr. Atul Brar. The other members of the audit committee are Air Vice Mshl (Retd.) R.K. Malhotra, and Mr. S.S. Virdi.

The details of the meetings of the Audit Committee are given below

Name	No. of Meetings attended	Remarks
Mr. Atul Brar	2	Chairman
Air vice Mshl (Retd) R.K. Malhotra	4	Member
Mr. S.S. Virdi	Nil	Member

REMUNERATION POLICY

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, retain their talent in the organisation and reward merit. Remuneration of employees largely consists of remuneration, perquisites and performance incentives.

The components of the total remuneration vary for different grades and are governed by Industry pattern, qualifications and experience of the employee, responsibilities handled and individual performance.

Details of the remuneration paid/ payable to the directors for the year ended March 31, 2008:

a) Executive Directors-The Managing Director is paid remuneration as per the terms approved by the Board of Directors of the company and confirmed by the shareholders of the company and subject to such other statutory approvals as may be necessary.

The details of remuneration paid to Managing Director for financial year 2007-08 is as follows:

Name of Director	Designation	Salary	Perks	Commission	Total
Mr K. Sayaji Rao	Managing Director	Rs. 8,40,000	nil	nil	Rs. 8,40,000

b) Non Executive Directors

Name of Director	Sitting Fees (Rs.)
Mr Atul Brar	1,500
Air Vice Mshl (Retd) R. K. Malhotra	1,500

SHARE TRANSFER COMMITTEE

The share transfer committee of the company, which was formed in year 1993 & reconstituted from time to time, consists of Mr. K S. Rao, Managing Director, Mr. S. S. Virdi, Independent non-executive Director, Mr. Sanjai Maheshwari, Vice President (Finance & Accounts) and Company Secretary.

The Committee approves and monitors transfer, transmission, splits, consolidation of shares, re-issue of duplicate shares and other allied matters. The share transfer formalities attended to at least once in a fortnight.

INVESTORS' GRIEVANCES COMMITTEE

The Company formed the investors' grievances committee on 27th March 2003 to look into the following matters:

- To look into the investors grievances and redressal thereof.
- To see that investors queries are replied timely and no investor grievance is kept pending.
- To see that the shares are transferred within the specified time limit.
- To register the change of Address, transposition of name, dematerialisation of shares, loss of share certificate, issue of duplicate share certificates and other investor grievances.
- To see that the statutory books are kept open for inspection of shareholders and extracts, copies thereof furnished within specified time limit in accordance with the provisions of the Companies Act 1956.

The Committee consists of four members of the Board Air Vice Mshl (Retd.) R.K. Malhotra, Mr. S. S. Virdi, Mr. K.S. Rao, Mr. Atul Brar.