

T W E N T I E T H

Annual
Report
2008-2009

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INNOVATIVE

TECH PACK LIMITED

BOARD OF DIRECTORS**Managing Director**

Mr. K. Sayaji .Rao

Director

Mr Atul Brar

Mr. Sanjay Dhawan

Mr. S.S.Virdi

(Nominee of HFC)

Mr.Mahavir Singh

(Nominee of HSIIDC)

Vice President (F&A) & Company Secretary

Mr. A.Choudhury

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 (Utranchal)

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INNOVATIVE TECH PACK LIMITED**NOTICE**

NOTICE OF THE 20TH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. INNOVATIVE TECH PACK LIMITED HELD ON 30TH SEPTEMBER 2009 AT 10.00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT 51, ROZ - KA - MEO INDUSTRIAL AREA, SOHNA, DISTRICT GURGAON, HARYANA.

Notice is hereby given that the Twentieth Annual General Meeting of the members of Innovative Tech Pack Limited will be held at the registered office of the Company situated at 51, Roz - Ka - Meo Industrial Area, Sohna, District Gurgaon, Haryana on Wednesday, the 30th September, 2009 at 10-00 AM to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 Profit and Loss Account for the year ended 31st March, 2009, together with report of Directors and statutory Auditor thereon.
2. To appoint M/s BGJC & Associates, Chartered Accountants, retiring Auditors, as Auditors of the Company to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

SPECIAL BUSINESS

3. 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 provisions of Section 257 and other applicable provisions, if any, of the Companies Act 1956, Mr Sanjay Dhawan, who was appointed as additional Director from October 2008, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution.
"RESOLVED THAT pursuant to the provisions of section 314 (1), and other applicable provisions, if any, of the Companies Act 1956, including any statutory modification or re-enactment thereof, for the time being in force, consent of the Company be and is hereby accorded to Mr K.Satish Rao, son of Managing Director of the company to hold office or place of profit as Senior Manager (Corporate) of the company, with effect 10th September, 2008, on a consolidated salary of Rs 25,000 per month.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution.
"RESOLVED THAT in supersession of all previous resolutions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956, for borrowing from time to time, even though the money to be borrowed by the Company apart from the temporary loans obtained from company's Banker in the ordinary course of business exceed the aggregate of paid up share capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however the total amount of such borrowing shall not exceed the sum of Rs. 50 crores (Rupees fifty crores only)

RESOLVED FURTHER THAT the consent of the Company is be and hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act 1956 to the board of directors of the Company to mortgage and/or charge all the immovable and movable properties of the company whensoever required, present, and future and raw-material, finished goods, work in process, packing and other miscellaneous store material to secure term loans from Financial Institutions/ Banks and /or Finance Companies and working capital limit sanctioned / to be sanctioned by Bankers/ Financial Institutions.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

Place: New Delhi

Date: 12th August. 2009

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

ARUNAVA CHOUDHURY
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. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement setting out all material facts relating to the special business contained in item numbers 3, 4 and 5 as required under section 173 (2) of the Companies Act, 1956, is annexed hereto.
3. Disclosure pursuant to Clause 49 of the listing agreement with respect to Directors seeking appointment / reappointment at the forthcoming Annual General Meeting is given below ;

Mr. Sanjay Dhawan- Additional Director

Mr. Sanjay Dhawan is a Chartered Accountant by profession and has a rich experience of more than 25 years. The Company will be benefited from his knowledge and experience in accounting, legal and commercial matters.

Appointed as a director liable to retire by rotation.

Directorship held in other Companies:

- (a) Ganpati Polymers Limited.
 - (b) R.S.Stones Private Limited.
 - (c) R.S.Natural Stones Pvt Limited.
 - (d) UG Hotels & Resorts Limited.
 - (e) KDM Service Provider Pvt Limited.
 - (f) Protech India-Limited
 - (g) Narayan Agro Foods Limited.
4. The register of members and share transfer books shall remain closed from 25th September 2009 to 30th September 2009 (both days inclusive).
 5. Members are requested to bring their attendance slips along with their copy of Annual Report to the meeting.
 6. 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.
 7. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Share Transfer Agents enclosing their share certificates to enable them to consolidate their holdings in one folio.
 8. Members are requested to send all communications relating to shares to the Registrars and share transfer agents of the company at the following address ;
M/s Beetal Financial and Computers (P) Limited,
3rd floor, Beetal House, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi 110062.
 9. All statutory records, registers etc are available for inspection at the Registered office of the company on all working days between 11.00 AM to 1.00 PM.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NUMBER 3.**

Mr Sanjay Dhawan was appointed as additional director of the Company from 24th October 2008, till the conclusion of the Annual General Meeting.

The company has received notice along with the requisite fee, from a member under section 257 of the Companies Act 1956, proposing the candidature of Mr Sanjay Dhawan as director.

Your Directors recommend this resolution for approval of the Shareholders.

Mr Sanjay Dhawan is interested in this resolution. No other director of the company is concerned or interested in this resolution.

ITEM NUMBER 4.

Board of Directors at its meeting held on 24th October had approved the appointment of Mr K.Satish Rao as Senior Manager (Corporate). Since he is the son of the Managing Director his approval is subject to the approval of members at the Annual General Meeting of the Company.

Mr K.Satish Rao is Bachelor of Business Administration. He is coordinating the activities of different departments and also oversees the effective implementation of decisions taken by the top management.

Your Directors recommend this resolution for approval of the Shareholders.

Mr K.Sayaji Rao may be deemed to be interested in this resolution. No other Director is concerned or interested in this resolution.

ITEM NUMBER 5

The company needs funds for expansion of capacity to remain viable and also it needs to replace old and obsolete plant and machinery. Funds are also required for augmenting the working capital resources of the Company.

The existing borrowing limits are inadequate for achieving the aforesaid objectives. Hence, it is proposed to enhance the borrowing limits to Rs. 50 crores (Rupees fifty crores only)

Your Directors recommend this resolution for approval of the Shareholders.

None of the directors of the company are concerned or interested in this resolution.



DIRECTORS' REPORT

Dear Shareholders,

The Directors of your company present herewith the Twentieth Annual Report together with the Audited Accounts for the year ended on 31st March, 2009.

The summarized results are presented below;

FINANCIAL RESULTS:-

	(Rs. in lacs)	
	2008-09	2007-08
Sales / Other Income	3019.17	2775.90
Gross Profit before interest, depreciation prior		
Period income and expenditure and impairment Loss	473.26	515.87
Interest	100.05	219.35
Depreciation	185.06	171.15
Profit / (Loss) before prior period adjustment and Tax	188.16	125.37
Provision for Taxation	12.49	8.46
Provision for deferred Tax	9.80	-46.81
Profit / (Loss) after Tax	165.87	163.72
Prior Period & Impairment (Loss) / Gain	22.70	289.50
Balance carried to Balance Sheet	188.57	453.22

OPERATING RESULTS AND BUSINESS PERFORMANCE.

For the year ended 31st March, 2009, the total income of the company was Rs 3019.17 lakhs as against Rs 2775.90 lakhs in the previous financial year. The growth achieved was around 8 % as against a turnover growth of 2 % achieved in the previous financial year.

PBIDT (Profit before Interest Depreciation, tax and prior period items) was Rs. 373.21 laks as against Rs. 296.52 laks in the previous financial year. This represents a growth of 26%.

Production of Bottles and Jars were 1233.03 (numbers in lakhs) as against a production of 1063.12 (numbers in lakhs) Bottles and Jars in the preceding financial year. This represents an increase in production of 16 % as against an increase in production of 40 % achieved in the previous financial year.

During the year under review, the despatches of Bottles and Jars were 1223.62 (numbers in lakhs) as against 1054.64 (numbers in lakhs) Bottles and Jars despatched in the previous financial year. This represents an increase in dispatches of 16 % as against an increase of 39 % achieved in the previous financial year.

Your company continues to achieve good growth in sales and profitability and is also gradually increasing its production capacity and modernizing its plant at Rudrapur in spite of no working capital limits / term loans being sanctioned to it by banks / financial institutions.

DIVIDEND

Your directors after considering the requirement of funds for working capital, expansion and modernization of its plant at Rudrapur, OTS repayment obligations and the financial position of the company have decided not to recommend any dividend for the year under review.

STATUS OF DRAFT REHABILITATION SCHEME AND ONE TIME SETTLEMENT WITH SECURED CREDITORS.

The operating agency i.e. Punjab National Bank has submitted its final rehabilitation scheme to BIFR for its consideration and approval.

As per the revised repayment schedule approved by Haryana State Infrastructure and Industrial Development Corporation and Punjab National Bank all dues payable under One Time Settlement has to be paid on or before 14th October 2010 to Haryana State Infrastructure and Industrial Development Corporation and 28th February 2011 to Punjab National Bank.

CORPORATE GOVERNANCE.

Your Directors reaffirm their commitment to comply with the Corporate Governance Standards prescribed by the Securities Exchange Board of India. A report on Corporate Governance along with Auditors' certificate regarding its compliance has been separately included in the Annual Report.

INNOVATIVE TECH PACK LIMITED**DIRECTOR'S RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

Your Director's confirm:

- a) That in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) That they have 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 the State of affairs of the Company at the end of the Financial Year and of the losses of the company for that period.
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for preventing and detecting frauds and other irregularities;
- d) That they have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

DIRECTORS

The Board of Directors at its meeting held on 24th October 2008, appointed Mr Sanjay Dhawan as an additional director of the company, to fill up the vacancy caused due to the resignation of Air Vice Marshal (Retired) R.K.Mahotra. Mr Sanjay Dhawan is liable to retire by rotation and being eligible offers himself for appointment as a Director

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

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

AUDITORS AND AUDITORS' REPORT

Auditors M/s. BGJC & Associates, Chartered Accountants, Delhi retire at the conclusion of this Annual General Meeting and being eligible have offered themselves for re-appointment. They have furnished a certificate that the re-appointment, if made, will be in accordance with Section 224(1B) of the Companies Act, 1956.

The notes to accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

PERSONNEL

During the year under review, there were no employees whose particulars are required to be disclosed in accordance with the provisions of Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules 1975.

Industrial Relations.

Industrial relations have been cordial at both the units of the company.

Fixed Deposits.

Your company has not accepted any fixed deposits from the public, during the year under review.

Acknowledgements.

The directors wish to place on record their sincere appreciation for the co-operation and assistance received from Punjab National Bank, Haryana State Infrastructure and Industrial Development Corporation, Haryana Financial Corporation, Central and State Government authorities, Customers, Suppliers and Business Associates.

Your directors also sincerely acknowledge the significant contributions made by employees at all levels.

On behalf of the Board

Place: New Delhi
Date: 12th August, 2009

K.SAYAJI RAO
Chairman & Managing Director

ANNEXURE 'A'

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 2009.

1. CONSERVATION OF ENERGY

Your company is not covered in the Schedule of Industries under rule 2 of the Companies disclosure of particulars in the Report of Board of Directors) Rules, 1988, requiring furnishing of information relating to conservation of energy. However realising its importance, the company has launched a concerted drive for conserving energy. Replacement of worn out wires, control of idle running of engines, and plugging of leakage were some of the measures taken. 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 observed on the costs.

2. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

- a) Company has indigenously developed moulds thereby saving precious foreign exchange.
- b) 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 nor incurred any expenditure in foreign currency during the year.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE

Plastic industry continues to grow at a very rapid pace and the per capita consumption in India is also increasing very fast. With in a couple of years India is expected to become the third largest consumer of plastics, after USA and China.

The Indian Plastics Industry has been growing at a phenomenal rate of 15% over the years and with its true potential harnessed, it is all set to reach the 12.5 MMT consumption mark, making India the 3rd largest consumer of plastics by 2010.

The global future of Plastics-

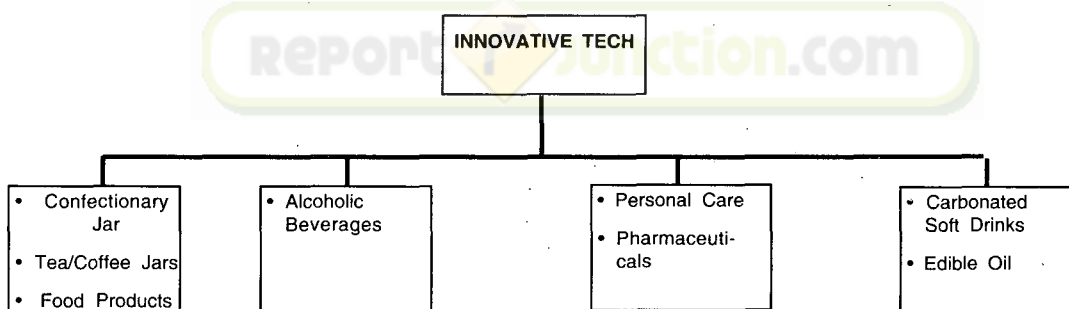
- Global Plastic Consumption is projected to go up to 150 MMT. by 2010
- World packaging consumption: By 2009, rigid plastics global consumption will be US\$ 120 bn. and Flexible plastics global consumption will be US \$70 bn. With this global consumption of plastics in packaging will be US \$ 190 bn. & 2nd to Paper and Board, exceeding US \$210 bn.

Your company is supplying to FMCG, Pharma and Liquor segments where PET Bottles / Jars are considered as a very critical input in the marketing and distribution of their products, particularly in growing large retail formats. Further PET bottles & Jars are gradually replacing glass bottles, specially in the pharma segment, since it has been found to be more convenient for handling and packing purposes. Presently there is not much scope for exports but there is huge existing as well as potential demand in the country for PET bottles & jars.

However the PET industry is highly fragmented in nature, predominantly comprising of small and medium units, most of which are in the unorganized sector

KEY PRODUCTS:

The following chart outlines the principal business segments and products as of the date of this report:



2. FUTURE OUTLOOK

Your company is mainly supplying to FMCG and Pharma sectors which have not been adversely affected by recession. Further the policy of the Government of increasing the expenditures under its various social welfare schemes will result in an increase in the purchasing power of rural population thereby resulting in an increase in demand for FMCG products. Hence the sales of FMCG companies are expected to grow by not less than 10 % per annum and your company is in a position to take advantage of this situation.

Your company is poised to take full advantage of this promising business scenario by developing new customers, gradually increasing its production capacity, replacing old plant and machinery and modernizing its plant at Rudrapur. The focus in current financial year will be to further broad base the customer list, thereby not only increasing the business volume, but also de-risking the company from any possible reduction in order from its major customers.

Your company is also going to increase its presence in the area of Injection Moulding segment by tying up for supplies of moulded components to its current as well as new customers. The company is also venturing into Extrusion Blow Moulding with commitment from one of its major customer to buy most of the capacity of the first machine for the same.

During the year under review, the company has got substantial orders for a new product and supplies will commence shortly.

3. OPPORTUNITIES, CHALLENGES & THREATS

Being in the Industry for nearly twenty years the Company has been able to consistently develop and supply quality products as per the specifications of the customer and this has been appreciated in the market.

The challenge before your company in this highly competitive market is continuing to offer an increasing choice of high quality products to the customers at the right price and with on time delivery.

4. FUTURE STRATEGY

Your Company primarily faces the following risks.

- a) High percentages of sales are to a few major customers.
- b) Only a few domestic suppliers of major raw materials i.e. Pet Chips.
- c) PET Industry is highly fragmented with a number of small units in the unorganized sector, who are able to influence the price and the demand supply situation.
- d) Large companies are setting up their own in house manufacturing facilities of PET Bottles & Jars.
- e) Increase in excise rate of PET Chips.
- f) Lack of adequate funds for making capital investments.
- g) Payment of OTS amounts within scheduled dates.
- h) Impact of global slowdown on the industry.

RISK MITIGATION STRATEGY.

As part of our business strategy, we are de-risking the controllable risks of our business by taking the following steps;

- Increasing our customer base.
- Increasing the business volumes of bottles & jars and other Injection Moulded components.
- Entry into other Extrusion Blow Moulding Business.
- For financing capital investments we have procured some machineries / moulds etc on deferred credit basis from suppliers.
- Action plans have been made for ensuring the repayment of OTS amounts on scheduled dates by ensuring as far as possible availability of funds for payment of OTS amounts on the scheduled dates.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The company has in place, adequate systems of internal control to safeguard its assets against loss through unauthorized use and pilferage. All payments are made after proper authorization and all purchase orders / contracts are issued / signed after the same has been approved by the authorized persons. The internal control system has been devised to ensure that financial and other records are reliable for preparing the financial statements. Internal Audit reports are placed before the Audit Committee of the Board for consideration and discussions. Necessary action is taken on the points raised by Internal Audit.

6. HUMAN RESOURCE DEVELOPMENT

We are committed to create an organization that nurtures the talent and enterprise of our people, helping them to grow and find fulfillment in an open culture. Our business and growth strategies would be based on a strong HR foundation created through a judicious use of innovative HR process and systems.

The Company has a good team of marketing personnel, ITPL's human resource base has a devoted team of employees and with requisite knowledge and expertise. During the year, ITPL has taken several significant initiatives in further strengthening its human capital including recruitment of middle management

7. CAUTIONARY / FUTURISTIC STATEMENTS

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects' or other words of similar meaning. Forward-looking statements are based on certain assumptions and expectations of future events. Statements in the Management Discussion and Analysis Report describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations and futuristic in nature. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. Actual performance may differ materially from those either expressed or implied. Such statements represent intentions of the management and the efforts put in to realize certain goals. The success in realizing these depends on various factors both internal and external. Investors are therefore requested to make their own independent judgments before taking any investment decisions.