

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF INNOVATIVE TECH PACK LIMITED WILL BE HELD ON THURSDAY, 17TH FEBRUARY, 2011 AT 10.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 51, ROZ-KA-MEO INDL. AREA, SOHNA, DISTRICT MEWAT, HARYANA- 122103 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS

#### 1. ADOPTION OF ACCOUNTS

To receive, consider and adopt the audited Balance Sheet of the Company as at 30th September, 2010, the audited Profit and Loss Account for the period ended on that date together with the Directors' and Auditors' Report thereon.

#### 2. RE-APPOINTMENT OF SH. ATUL NRIPRAJ BARAR

To appoint a Director in place of Sh. Atul Nripraj Barar, who retires by rotation, and being eligible, offers himself for re-appointment.

#### 3. APPOINTMENT OF STATUTORY AUDITORS

To appoint M/s BGJC & Associates, Chartered Accountants, retiring Auditors, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

#### 4. APPOINTMENT OF ADDITIONAL DIRECTOR AS DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**.

**"RESOLVED THAT** Sh. Anil Kulbhushan Barar who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds such office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member of the Company, pursuant to Section 257 of the Companies Act, 1956, proposing his candidature to the office of Director, be and is hereby, appointed as Director of the Company, liable to retire by rotation."

#### 5. REVISION/ ENHANCEMENT OF REMUNERATION PAID TO SH. K. SATISH RAO, SENIOR MANAGER (CORPORATE)

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **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 modifications or re-enactment thereof for the time being in force read with Director's Relatives (Office or Place of Profit) Rules, 2003, consent of the Company be and is hereby given to revise and enhance the consolidated salary payable to Sh. K. Satish Rao, relative (son) of Sh. Ketineni Sayaji Rao, Managing Director of the Company, who hold office or place of profit as Senior Manager (Corporate) of the Company, from Rs. 25,000 per month to Rs. 49,000 per month with effect from 1st March, 2011."

#### 6. INCREASE IN AUTHORISED SHARE CAPITAL

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:-**

**"RESOLVED THAT** pursuant to the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to provisions of Articles of Association of the Company, the consent of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 8,50,00,000/- (Rupees Eight Crores Fifty Lacs only) divided into 85,00,000 (Eighty Five Lacs) Equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity shares of Rs. 10/- (Rupees Ten only) each and consequently the existing clause V of the Memorandum of Association of the Company relating to Authorised Share Capital be altered and following clause be substituted in its place:

V. The Authorised Share Capital of the Company is Rs. 10,00, 00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each.

**FURTHER RESOLVED** that the Board of Directors / Company Secretary of the Company be and are hereby authorized to fill, sign and file any form or such other documents as may be required and to do all such acts and things as may be necessary to give effect to this resolution."



## 7. ALTERATION OF ARTICLES OF ASSOCIATION RELATING TO AUTHORISED SHARE CAPITAL

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:-**

**"RESOLVED THAT** pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Article 6 of the Articles of Association of the Company relating to Share Capital of the Company be deleted and the following Article be substituted in its place:-

"The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten only) each, with power to increase or reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being."

**FURTHER RESOLVED** that the Board of Directors / Company Secretary of the Company be and are hereby authorized to fill, sign and file any form or such other documents as may be required and to do all such acts and things as may be necessary to give effect to this resolution."

## 8. ALTERATION OF ARTICLE 143 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:-**

**"RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Article 143 of the Articles of Association of the Company be and is hereby deleted and following article be substituted in its place:

### ARTICLE 143- CAPITALISATION OF RESERVES

The Board may resolve that any amount standing to the credit of the Reserves, Profit and Loss Account, Capital Redemption Reserve Account, or otherwise in the hands of the Company and available for distribution or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same, if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto, if distributed by way of dividend and that all or any part of such capitalized fund be applied on behalf of such shareholders, in paying up in full, any un-issued shares of the Company which shall be distributed accordingly or in or toward payment of the amount, for the time being unpaid, on any shares held by such members and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum. Provided that any sum standing to the credit of Share Premium Account and a Capital Redemption Reserve Account, may for the purposes of this Article, only be applied in the paying up of un-issued shares to be issued to members of the Company as fully paid Bonus Shares.

**FURTHER RESOLVED** that the Board of Directors / Company Secretary of the Company be and are hereby authorized to fill, sign and file any form or such other documents as may be required and to do all such acts and things as may be necessary to give effect to this resolution."

## 9. ESOP SCHEME-2011

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:-**

**"RESOLVED THAT** pursuant to the provisions of section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), the Listing Agreement entered in to with the Stock Exchanges, the provisions contained in the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines"), including any statutory amendment, modification or re-enactment of the Act or the Guidelines for the time being in force and other rules and regulations prescribed by the Securities and Exchange Board of India ("SEBI") or any other relevant authority from time to time, to the extent applicable, and subject to such approvals, permissions, sanctions by any authority as may be required and further subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and in accordance with the provisions of the Memorandum and Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its power including the power conferred by this resolution), to introduce and implement the proposed Employees Stock Option Scheme, ESOP Scheme- 2011 as detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot in one and more tranches, at such time, such price, in such manner, during such period as the Board may decide, under the said proposed ESOP Scheme- 2011, to or for the benefit of employees and the Directors (including Non-Executive Directors and Independent Directors) of the Company, such numbers of Equity shares of the Company and/or Options giving right to purchase or subscribe such number of Equity shares/ Equity linked instruments which could give rise to the issue of Equity shares, hereinafter collectively referred to as (" Securities") of the Company,



initially not exceeding 10% of the existing paid up share Capital of the Company i.e. up to 2,18,650 Equity shares (10% of the 21,86,500 shares) in aggregate (or such other adjusted option/ exercise price in case of corporate actions such as right issue, bonus issue, merger, sale of division and others) and on such terms and conditions as may be fixed or determined by the Board in accordance with the Guidelines or other provisions applicable, if any, of any law prevailing at that time.

**FURTHER RESOLVED THAT** the maximum number of Securities issued/granted in terms of this resolution, to any single Employee of the Company, during any one year shall be less than 1% of the existing issued and paid up Equity shares of the Company i.e. less than 21,865 Equity shares/options.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the ESOP Scheme-2011 on such terms and conditions as contained in the relevant Explanatory Statement to this item in the Notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOP Scheme-2011, from time to time, including but not limited to amendments with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOP Scheme- 2011.

**RESOLVED FURTHER THAT** Non- Executive Directors of the Company, including Independent Directors, be granted up to maximum of 10,000 options per annum and up to maximum of 50,000 options in aggregate under the scheme.

**RESOLVED FURTHER THAT** the Equity Shares allotted pursuant to the aforesaid ESOP Scheme- 2011, shall rank pari passu in all respects, with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the ESOP- 2011 on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreement executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable..

**RESOLVED FURTHER THAT** for the purpose of giving effect to the this resolution, the Board be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the Members of the Company and that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s) including any committee of Directors or any other Officer/ Authorized Representative of the Company, to give effect to the aforesaid resolution."

Place: New Delhi  
Date: 07.01. 2011

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

(HEMA KUMARI)  
Company Secretary & Compliance Officer

REGISTERED OFFICE:  
51, ROZ-KA -MEO INDL. AREA,  
SOHNA, DISTRICT MEWAT,  
HARYANA- 122103



## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE, DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business under Item No. s 4 to 9 above is annexed hereto and forms part of this Notice.
3. Disclosures/Details pursuant to Clause 49 of the Listing Agreement with respect to Persons seeking appointment / reappointment as Directors at the forthcoming Annual General Meeting are given in the annexure attached to this Notice.
4. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the Meeting along with their copy of the Annual Report.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 11th February, 2011 to Thursday, 17th February, 2011 (both days inclusive)
6. All statutory Records, Registers and Documents referred to in the Notice and Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on any working day during office hours from 9.30 A.M. to 5.00 P.M. up to the date of the Annual General Meeting.
7. Shareholders seeking any information with regard to Accounts of the Company are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
8. Members are requested to notify:
  - A) Change of address, if any, with Pin Code, quoting reference of their folio number, to the Registrar and Share Transfer Agents at the following address.  
Beetal Financial and Computer Services (P) Limited,  
3rd floor, Beetal House, 99, Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir, New Delhi-110062.
  - B) Members who are holding shares in Demat Mode are requested to notify any change in their address to their respective Depository Participant

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### ITEM NUMBER 4.

Sh. Anil Kulbhushan Barar was co-opted as an Additional Director of the Company with effect from 06th September, 2010. As per the provisions of the Companies Act, 1956, he holds office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice along with requisite deposit under Section 257 of the Companies Act, 1956, from a Member of a Company signifying his intention to propose the candidature of Sh. Anil Kulbhushan Barar to the office of the Director of the Company. Sh. Anil Kulbhushan Barar is not holding any shares (both own or held by/for other persons on a beneficial basis) of the Company.

Details regarding Sh. Anil Kulbhushan Barar and his brief resume have been given in the **Annexure** attached to this Notice. Keeping in view the expertise and experience Sh. Anil Kulbhushan Barar is having, the Board of Directors considers that the continuation of Sh. Anil Kulbhushan Barar on the Board will be beneficial to the Company and his appointment as Director of the Company is recommended by the Board.

None of the Directors of the Company except Sh. Anil Kulbhushan Barar and Sh. Atul Nripraj Barar (relative) of Sh. Anil Kulbhushan Barar is concerned or interested in the proposed resolution.

### ITEM NUMBER 5.

At the Annual General Meeting held on 30th September, 2009, the Shareholders had approved the appointment of Sh. K. Satish Rao, relative (son) of Sh. Ketineni Sayaji Rao, Managing Director as Senior Manager (Corporate) on a consolidated remuneration of Rs. 25,000 per month.

Sh. 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. Board has considered that after the appointment of Sh. K. Satish Rao, Company has undergone into substantial expansion plan which has increased the job and responsibility of Senior Manager (Corporate). Therefore, need was felt that his hard work should be suitably remunerated. Hence it is proposed to increase the consolidated remuneration of Sh. K. Satish Rao from Rs. 25,000 per month to Rs. 49,000 per month with effect from 1st March, 2011.



The Board of Directors accordingly recommends the resolution set out in Item No. 5 for your approval.

None of the Director of the Company except Sh. Ketineni Sayaji Rao, Managing Director being relative (Father) of Sh. K. Satish Rao, is in any way, concerned or interested in the proposed resolution.

#### **ITEM NUMBER 6. & 7.**

The present Authorized Share Capital of the Company is Rs. 8,50,00,000 (Rupees Eight Crores Fifty Lakhs only). Keeping in view the expected future growth, the Company may require additional capital to finance the upcoming projects and capital expenditure in the years to come. Therefore it is proposed to increase the Authorised Share Capital of the Company from Rs. 8,50,00,000 /- (Rupees Eight Crores Fifty Lakhs only) to Rs. 10,00,00,000/- (Rupees Ten Crores only).

Increase in Authorize Share Capital of the Company would necessitate amendment to the Clause V of the Memorandum of Association and Article 6 of Articles of Association of the Company. The provisions of the Companies Act, 1956 require the Company to seek approval of Members to increase the Authorized Share Capital and for alteration of Memorandum & Articles of Association of the Company. The Board of Director accordingly recommends the resolution set out in item no. 6 & 7 for your approval by way of special resolution.

None of the Director of the Company is in any way, concerned or interested in the proposed resolution.

#### **ITEM NUMBER 8**

The existing Article 143 of the Articles of Association of the Company requires that it is necessary to get Shareholders approval for capitalizing and distributing any amount standing to the credit of Reserves, Profit & Loss Account, Capital Redemption Reserve Account, Share Premium Account or otherwise in the hands of the Company and available for distribution, for the purpose of issuing any fully paid Bonus shares to the Shareholders or toward payment of the amount, for the time being unpaid, on any shares held by such members. Keeping in view future plans of the Company as well as significant expenditure involved in calling General Meeting of the Shareholders of the Company, it is proposed to empower the Board of Directors in regard to aforesaid matter.

Hence, it is proposed to alter Article 143 of the Articles of Association of the Company, empowering Board to issue Bonus shares/ or payment of the amount, for the time being unpaid, on any shares held by members. Pursuant to provisions of Section 31 of the Companies Act, 1956, alteration of Articles of Association requires the approval of members by way of Special Resolution. The Board of Directors accordingly recommends the resolution set out in Item No. 8 for your approval.

None of the Director of the Company is in any way, concerned or interested in the proposed resolution.

#### **ITEM NUMBER 9.**

##### **ESOP SCHEME -2011**

The Company has always believed in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on a growth path. To enable more and more employees to enjoy the fruits of the growth that Company has witnessed in the recent past, it is proposed to implement ESOP Scheme. The main objective of the Scheme is to give employees who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract best talent available in the market.

Stock Options have long been recognized internationally, as an effective instrument, to align the interest of employees with those of the Company and its shareholders, providing an opportunity to employees to share the growth of the Company, and to create long-term wealth in the hands of employees.

Stock Options create a common sense of ownership between the Company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholders value. The Board therefore proposes to evolve an Employee Stock Option Scheme (hereinafter referred to as "ESOP Scheme-2011" for the benefit of permanent employees and Directors (including Non- Executive Directors and Independent Directors) of the Company and such other person/entities as may be prescribed by SEBI from to time, and in accordance with the provisions of prevailing regulations.

The following is the explanatory statement, which sets out the various disclosures as required by Clause 6 of the Securities & Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as 'the Guidelines').

The salient features of the ESOP Scheme are as under:

##### **(A) Total number of option to be granted**

- a) The total number of options to be granted under this scheme shall initially not exceed 10% of the existing issued & paid up Equity shares of the Company i.e. 2, 18,650 Options.
- b) One option entitles the holder of the options to apply for one Equity share of the Company.



**(B) Identification of classes of employees entitled to participate in the ESOP**

- a) Persons as are in permanent employment in such grade and with such experience/association with the Company as may be decided by "the Board" (which term shall be deemed to include any Committee including Nomination & Compensation Committee of the Board) and Directors (including Non- Executive Directors and Independent Directors),
- b) Employees holding 2% of the outstanding share capital of the Company's Equity share capital at any time after the commencement of this Scheme will not be eligible for grant of options.  
(Employees who are not eligible as per provisions of Clause 4 of the Securities & Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, shall not be eligible for grant of option.)

**(C) Requirements of vesting, period of vesting and maximum period of vesting**

- a) There shall be a minimum period of one year between the grant of options and vesting of options.
- b) The vesting period may extend up to 5 years from the date of grant or such further/other period as the Board/Committee may determine from the Grant Date.
- c) The Vesting shall happen in one or more tranches, subject to the terms and conditions of vesting as may be stipulated by the Board which may include satisfactory performance of the employees, their continued association with the Company, besides other criteria's.

**(D) Exercise Price or Pricing Formula**

At such price, in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide in accordance with the applicable guidelines, provided that the Exercise Price per option shall not be less than the par value of the Equity Share of the Company and shall not be more than the market price.

**(E) Exercise Period and the Process of Exercise**

- a) Exercise period will commence from the vesting date and extent up to the expiry period of options as may be decided by the Board. The Exercise period may extend up to 7 years from the date of grant of options or such other period as may be decided by the Board/Committee. The Board will decide about the expiry period of options for employees leaving the Company after grant of options in his /her favour.
- b) The Option will be exercisable by employees by written application to the Company/designated Officer of the Company, to exercise the Options in such manners, and on execution of such documents, as may be prescribed by the Board under the Scheme, subject to conditions for payment of Exercise Price in the manner prescribed by the Board/Committee.
- c) The Options will lapse if not exercised within the specified exercise period.

**(F) Appraisal Process for determining the eligibility of employees to the ESOP Scheme**

- a) The Company has a formal performance appraisal system established wherein the performance of the Employees are assessed each year on the basis of various functional and managerial parameters. The appraisal process is revised at regular intervals as per industry standards.
- b) Employees, Directors (including Non Executive Directors and Independent Directors) would be granted Stock Options based on performance linked parameters such as value creation, leadership, work performance, technical knowledge, period of service, designation and such other parameters as may be decided by the Board from time to time.
- c) The Board may at its discretion extend the benefits of the ESOP Scheme- 2011 to a new entrant or any existing employees on such other basis as it may deem fit.

**(G) Maximum number of options to be issued per employees and in aggregate**

- a) The Maximum numbers of options to be granted to each employee will depend upon the rank/designation of the employees as on the date of grant of options. However the maximum number of Options issued/granted to any single Employee of the Company, during any one year shall be less than 1% of the existing issued and paid up Equity shares of the Company i.e. less than 21,865 Equity shares.
- b) The aggregate number of options to be granted under this scheme shall not initially exceed 10% of the existing paid up Equity shares of the Company .i.e. 2, 18,650 options.
- c) The Board shall decide on the numbers of options to be granted to each employee within this limit.
- d) As per the revised Clause 49 of the listing agreement, the resolution for introduction of ESOP Scheme should specify the limits for the maximum number of stock options that can be granted to Non- Executive Directors including Independent Directors, in any financial year and in aggregate. Accordingly, it is proposed to fix the following limits for Non- Executive Directors; including independent Directors;
  - i. Up to 10,000 options per annum
  - ii. Aggregate options to be granted under the Scheme shall be up to 50,000 Options.



**(H) Accounting Methods**

The Company shall conform to the accounting policies specified in Clause 13.1 of the Guidelines, and/or such other guidelines as may be applicable, from time to time.

**(I) Methods of valuation of these options**

The Company shall use/follow the intrinsic value method for valuation of the options.

Since the Company calculates the employees compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that would have been recognized if the fair value of the options had been used, shall be disclosed in the Directors' Report and the impact of this difference on profit and on EPS of the Company will also be disclosed in the Directors' Report.

Clause 6 of the ESOP Guidelines requires that any ESOP Scheme for offering stock options to the employees of the Company must be approved by the shareholders by way of a Special Resolution. Furthermore, as the Scheme will entail further shares to be offered to persons other than existing shareholders of the Company, consent of the members is required by way of a Special resolution pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956.

Accordingly, the Resolution set as item no. 9 is being placed for the approval of shareholders pursuant to the provisions of Section 81 (1A) of the Companies Act, 1956 and clause 6 of the ESOP Guidelines.

The Board of Directors recommends the resolution as set out in item no.9 for your approval.

All the Directors of the Company are concerned or interested in the said resolution, to the extent of the Options/Shares that may be offered to them under the Scheme.

Place: New Delhi  
Date: 07.01. 2011

By order of the Board of Directors  
for Innovative Tech Pack Ltd  
(HEMA KUMARI)  
Company Secretary & Compliance Officer

REGISTERED OFFICE:  
51, ROZ-KA -MEO INDL. AREA,  
SOHNA, DISTRICT MEWAT, HARYANA- 122103

**Annexure**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE ANNUAL GENERAL MEETING**

PARTICULARS	DATE OF BIRTH	DATE OF APPOINTMENT	QUALIFICATION	EXPERTISE IN SPECIFIC FUNCTIONAL AREA	NO. OF SHARES HELD IN THE COMPANY	DIRECTORSHIP HELD IN OTHER PUBLIC COMPANY (EXCLUDING FOREIGN COMPANIES)	MEMBERSHIPS/ CHAIRMANSHIP OF OTHER BOARD COMMITTEES OF INDIAN PUBLIC COMPANIES
Sh. Atul Nripraj Barar	01st May, 1962	25th October, 2007	B. Com	27 Years rich experience in various industries	NIL	Innovative Pet Containers Ltd.	Membership-2 Chairmanship-1
Sh. Anil Kulbhushan Barar	26th January, 1960	06th September, 2010	B. Com	30 years rich experience in Business, Management	NIL	- -	Membership-0 Chairmanship-0

Place: New Delhi  
Date: 07.01. 2011

By order of the Board of Directors  
for Innovative Tech Pack Ltd  
(HEMA KUMARI)  
Company Secretary & Compliance Officer

REGISTERED OFFICE:  
51, ROZ-KA -MEO INDL. AREA,  
SOHNA, DISTRICT MEWAT,  
HARYANA- 122103



## DIRECTORS' REPORT

To.  
The Members,

The Directors of your Company have pleasure in presenting the Twenty First Annual Report together with the Audited Accounts for the accounting year ended 30th Sep, 2010 comprising of 18 months.

The accounting period has been extended to 18 months with the approval of Ministry of Corporate Affairs, Government of India, so as to give effect to Hon'ble BIFR order dated 19th July, 2010 by which it approved the Rehabilitation Scheme of the Company.

The summarized results are presented below;

### OPERATING RESULTS AND BUSINESS PERFORMANCE.

The summarized results are presented below;

### FINANCIAL RESULTS:-

	(Rs. in lacs)	
	2009-10 (18 Months)	2008-09 (12 Months)
Sales / Other Income	5161.99	3002.34
Gross Profit before interest, depreciation prior Period income and expenditure and impairment Loss and excess provision written back	678.68	473.28
Interest	138.95	100.05
Depreciation	317.24	185.06
Excess Provision Written Back#	558.69	33.90
Profit / (Loss) before prior period adjustment and Tax	781.18	222.07
Provision for Taxation	0.04	12.49
Provision for deferred Tax	244.73	9.80
Profit / (Loss) after Tax	536.41	199.78
Prior Period Expenses	7.50	11.21
Net Profit	528.91	188.57

# Includes exceptional items on account of excess interest provided in earlier year of Rs 540.03 lacs now written back on completion of OTS with financial institution, excess depreciation charged earlier on impaired assets of Rs 14.16 Lakhs and excess income tax provided of Rs 4.50 Lacs aggregating to Rs. 558.69 Lakhs (previous years Rs. 33.90 Lakhs).

For the year ended 30th Sep 2010, the total income of the Company was Rs 5161.99 lakhs as against Rs 3002.34 lakhs in the previous financial year.

The growth achieved was 71.9% on absolute basis, but on annualized basis is 14.6 % (P.Y. 8%)

PBT (Profit before tax and prior period expenses) is Rs 781.18 lakhs, but without considering excess provision written back of Rs 558.69 lakhs is Rs 222.49 lakhs as against corresponding figure of previous year Rs 188.17 lakhs representing a growth of 18.23% on absolute terms.

Production of Bottles and Jars were 2044.51 (numbers in lakhs) as against a production of 1233.03 (numbers in lakhs) Bottles and Jars in the preceding financial year. This represents an increase in production of 65.81% on absolute basis and 10.54% on annualized basis.

During the year under review, the despatches of Bottles and Jars were 2065.64 (numbers in lakhs) as against 1223.62 (numbers in lakhs) Bottles and Jars despatched in the previous financial year. This represents an increase in dispatches of 68.80% on absolute basis, but an increase of 12.5% on annualized basis.

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 draft rehabilitation scheme submitted by operating agency i.e. Punjab National Bank to Hon'ble BIFR for its consideration and approval has been sanctioned by Hon'ble BIFR by its order dated 19th July, 2010.

As per the revised repayment schedule approved by Haryana State Industrial & Infrastructure Development Corporation (HSIIDC) and Punjab National Bank (PNB), all dues payable under One Time Settlement to Haryana State Industrial & Infrastructure Development Corporation (HSIIDC) has already been paid off resulting in remission of liability of Rs 540.03 Lakhs and to Punjab National Bank, who is the only secured creditor left, payment under revised schedule is under progress and is likely to be completed by February 2011, which will also result in remission of liability to the extent of Rs 1225.48 lakhs.

Also as per Hon'ble BIFR order, reduction of the paid-up share capital was to be effected to the extent of 90% so as to reduce accumulated losses and same has been effected and is approved and taken on record by the concerned Authorities.

Further as required by Hon'ble BIFR order, funds to the extent of Rs. 399 lakhs have been brought in the Company by Promoters & Associates to complete the Rehabilitation Scheme

## **RESTORATION OF TRADING**

The Shares of the Company were restored for trading at the Bombay Stock Exchange from 05th May, 2010 and the Company has availed the Amnesty Scheme as is introduced by the Delhi Stock Exchange and had applied for revocation of suspension of trading and the said application is under process.

## **CORPORATE GOVERNANCE.**

Your Directors reaffirm their commitment to comply with the Corporate Governance Standards prescribed by the Securities Exchange Board of India (SEBI). A separate Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement along with Auditors' certificate on its compliance has been annexed hereto as part of the Annual Report.

## **DIRECTORS 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 judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of affairs of the Company at the end of the accounting Year and of the Profit / 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, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That they have been prepared the annual accounts on a going concern basis.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **DIRECTORS**

The Board comprises of 5 Directors, one of them is Executive Director (20%), four of them are Independent Non-Executive Directors (80%) representing optimum mix of professionalism. During the period under review, Sh. Sudarshan Singh Viridi, Nominee of Haryana Financial Corporation (HFC) resigned from the Board w.e.f. 27th March, 2010 after the Loan amount due to Haryana Financial Corporation (HFC) was paid by the Company.

Sh. Ketineni Sayaji Rao was appointed as Managing Director of the Company w.e.f. 01st August, 2010 by the Board of Directors at their meeting held on 28th July, 2010, which was subsequently approved by the Shareholders at their Extra- Ordinary General Meeting held on 01st September, 2010.

Sh. Anil Kulbhushan Barar was appointed as Additional Director by the Board of Directors at their Meeting held on 06th September, 2010 to further strengthen the power of the Board. As per the provisions of the Companies Act, 1956, he holds office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received Notice from a members of the Company, along with requisite deposit under Section 257 of the Act, proposing his candidature to the office of the Director of the Company. Accordingly resolution seeking the approval of the Members of the Company for his appointment has been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details about him. The Board recommends his appointment in the interest of the Company.

Sh. Atul Nripraj Barar, retires by rotation, and being eligible, offers himself for re-appointment, which the Directors consider to be in the best interests of the Company and therefore recommend his candidature for the approval of the shareholders.



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

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

## **AUDITORS AND AUDITORS' REPORT**

M/s. BGJC & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the forthcoming 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(IB) of the Companies Act, 1956.

The observations made 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**

The industrial relations have remained cordial and harmonious during the year.

## **FIXED DEPOSITS**

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

## **ACKNOWLEDGEMENTS**

The Board of Director express their sincere thanks and wishes to place on record its deep appreciation for the continued support, confidence and co-operation that the Company has received from Punjab National Bank, Haryana State Industrial & Infrastructure Development Corporation, Haryana Financial Corporation, Central and State Government Authorities, Customers, Suppliers and Business Associates.

Your Directors also place on record their deep appreciation of the employees for the valued and continuous support at all levels for their services and commitment during the year.

On behalf of the Board

Place: New Delhi

Date: 07.01.2011

KETINENI SAYAJI RAO  
Chairman & Managing Director

## **ANNEXURE 'A' TO DIRECTORS' REPORT**

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 accounting year ended 30th September, 2010.

### **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 realizing 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 under review except on foreign traveling expenses of Rs 3.40 Lakhs.