TWENTY THIRD ANNUAL REPORT 2011-2012

INNOVATIVE

TECH PACK LIMITED

OUR EXCLUSIVE PET / PP PRODUCTS

BOARD OF DIRECTORS

Managing Director
Mr. Ketineni Sayaji Rao

Whole Time Director
Mr. K. Satish Rao

Directors
Mr. Sanjay Dhawan
Mr. Atul Nripraj Barar
Mr. Mahavir Singh (Nominee of HSIIDC)
Mr. Anil Kulbhushan Barar

Company Secretary & Compliance Officer
Mr. Vishesh Chaturvedi

Auditors
BGJC & Associates
Raj Towers-1, G-1, Alaknanda Community Centre
New Delhi-110 019

Bankers

1. **HDFC BANK**
   CC -31,Kalkaji,
   New Delhi-110 019

2. **Citi Bank**
   Ground Floor - International Trade Tower,
   Hotel Royale Park Complex,
   Nehru Place, New Delhi 110019

Registrar And Share Transfer Agents
Beetal Financial and Computers Services (P) Limited,
3rd floor, Beetal House, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi-110062

Registered Office
51, Roz-Ka-Meo, Industrial Area
Sohna, Dist. Mewat, Haryana

Corporate Office
1109-1110, Chiranjiv Tower
43, Nehru Place, New Delhi-110 019

Factories

1. 51, Roz-Ka-Meo, Industrial Area
   Sohna, Dist. Mewat (Haryana)
2. Rungta Industrial Compound,
   Rudrapur (Uttranchal)
3. Kamrup Paper Mill Complex,
   Ground Floor, Nh-31, Amingaon,
   Kamrup, Guwahati, Assam-781031

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List of our Esteemed Customers

We have manufactured and supplied our quality products to some of the biggest name in the industry. Our customers are the ambassadors of our quality workmanship. Our lastly and mutually beneficial relationship with them speaks a lot about our commitments to their business and whose confidence we have earned.

A Representative List of Some of Our Esteemed Customers

- DABUR INDIA LIMITED
- PERFETTI VAN MELLE INDIA PRIVATE LIMITED
- HEINZ INDIA PRIVATE LIMITED
- WIPRO CONSUMER CARE
- CADILA PHARMACEUTICAL LTD
- PATNJALI AYURVEDIC
- OETKAR GROUP (FUN FOOD)
- SURYA FOODS (PRIYA GOLD)
- MRS. BECTOR FOODS & SPECIALITIES PRIVATE LIMITED
- GODREJ CONSUMER CARE
- SC JOHNSON
- MOTHERDAIRY
- AVLON COSMETICS
- FINE PROCESSOR
- SUNCARE PHARMA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF INNOVATIVE TECH PACK LIMITED WILL BE HELD ON FRIDAY, 28TH SEPTEMBER, 2012 AT 8.30 A.M. AT HAKIM JI KI CHOUPAL, OPP. BATRA HOSPITAL, VILL. UJINA, POLICE STATION NUH, DISTT. MEWAT, HARYANA 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 31st March, 2012, 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. Anil Kulbhushan Barar

To appoint a Director in place of Sh. Anil Kulbhushan 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. ENHANCEMENT OF BORROWING LIMIT

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

"RESOLVED THAT in partial modification of earlier Resolution passed at the Annual General Meeting and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956,including any statutory modifications or any amendments or any substitution or re-enactment thereof for the time being in force, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs.100 Crores [including the money already borrowed by the Company] in Indian Rupees or equivalent thereof in any foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the Paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

By order of the Board of Directors
For **Innovative Tech Pack Limited**

Sd/-
Ketineni Sayaji Rao
(Managing Director)

Place : New Delhi
Date : 20.08.2012

REGISTERED OFFICE:
51, ROZ-KA -MEO INDL. AREA,
SOHNA, MEWAT DISTRICT,
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. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business as set out in the Notice is annexed hereto.

3. Disclosures/Details pursuant to Clause 49 of the Listing Agreement with respect to Persons/Directors seeking appointment/ reappointment as Directors at the forthcoming Annual General Meeting are given herein below.

   1. SH. ANIL KULBHUSHAN BARAR

   Sh. Anil Kulbhushan Barar is a profession Businessman and has a 30 years rich experience in Business, Management. The Company will be benefited from his knowledge and experience in accounting, legal and commercial matters.

   - 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 Re-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.

   Shareholding in the Company: NIL

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. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board / Governing Body resolution authorizing such representatives to attend and vote at the Annual General meeting.

5. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 24th September, 2012 to Friday, 28th September, 2012 (both days inclusive)

6. All statutory Records, Registers and Documents referred to in the Notice and accompanying 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 who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of dematerialization which includes easy liquidity, electronic transfer, savings in stamp duty, prevention of forgery, loss in transit etc.

9. Members are requested to notify:

   1. 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 Computers Services (P) Limited,
      3rd floor, Beetal House, 99, Madangir,
      Behind Local Shopping Centre,
      Near Dada Harsukhdas Mandir, New Delhi-110062.

   2. Members who are holding shares in Demat Mode are requested to notify any change in their address to their respective Depository Participant

3. **EXPLANATORY STATEMENT**

[Pursuant to Section 173(2) of the Companies Act, 1956]

The following explanatory statement sets out all material facts relating to Special Businesses of the accompanying Notice of the Annual General Meeting to be held on 28th September, 2012.

The Company proposes to raise terms loans/financial assistance in near future in view of the expanding business opportunities. The borrowings of loans from the Banks / Financial Institutions will require the Company to create mortgage/charge on the whole or substantially the whole of the undertakings of the Company for the purpose of securing terms loans.

Section 293(1)(d) of the Companies Act, 1956 provides, interalia, that the Board of Directors of a Public Company shall, shall not without the consent of shareholders in the General Meeting borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loan obtained from the bankers of the Company in the ordinary course of business) exceeds the aggregate of paid-up capital and free reserves of the Company. The expansion programme of the Company is being carried out and it is expected the ceiling may be exceeded after the acceptance of loans/financial assistance and therefore, your Directors place before you the proposal to increase the maximum borrowing limits to Rs.100 Crores at any point of time, for your approval.

ANNEXURE

Details of Directors Seeking Appointment/Re-appointment 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/ Chairmanships of Other Board Committees of Indian Public Companies
Sh. Anil Kulbhushan Barar	26th January, 1960	06th September, 2010	B. Com	30 Years Rich Experience in Business, Management	Nil	-	Membership-0 Chairmanship-0

By order of the Board of Directors
For **Innovative Tech Pack Limited**

Sd/-
Ketineni Sayaji Rao
(Managing Director)

Place : New Delhi
Date : 20.08.2012

KIND ATTENTION SHAREHOLDERS

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies through electronic mode. Your Company also intends to participate in this Green Initiative by opting to send all future communications including notice of the General Meeting(s), Annual Reports and other correspondence, to you through e-mail. Therefore shareholders are requested to register their email address with RTA by sending a letter to this effect to RTA under their signature at the following address

Beetal Financial and Computers Services (P) Limited,
3rd floor, Beetal House, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi-110062

or by e-mailing the scan copy of letter to RTA at following email address beetalrta@gmail.com/ grievance@itplgroup.com as early as possible, quoting your name, folio no./client Id/DP Id and shareholding in all communications to the Company. Please note that as a member of the Company, you will always be entitled to receive all such communication in physical form, upon request, even after registering your e- mail address with us.

DIRECTORS REPORT

To

The Members,

The Directors of your Company have pleasure in presenting the Twenty third Annual Report together with the Audited Accounts for the financial year ending 31st March 2012 comprising of 11 months i.e for the period May'11 to March'12

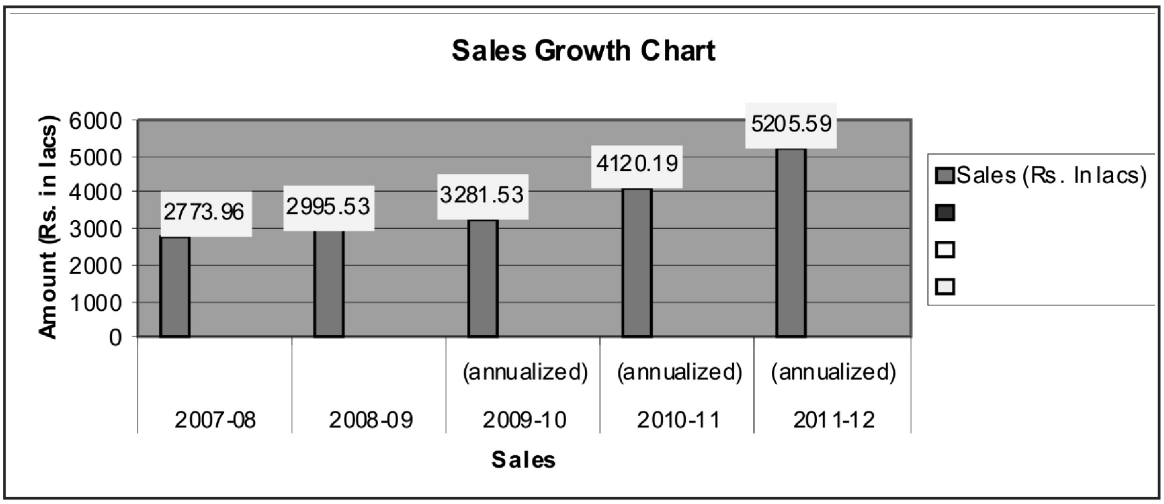
The accounting period has been prepared for 11 months ending 31st March, 2012 as the last accounting period was prepared for the accounting period ending April' 11 so as to reflect the true financial positions as major restructuring was completed in April'11.

The summarized results are presented below:

OPERATING RESULTS AND BUSINESS PERFORMANCE

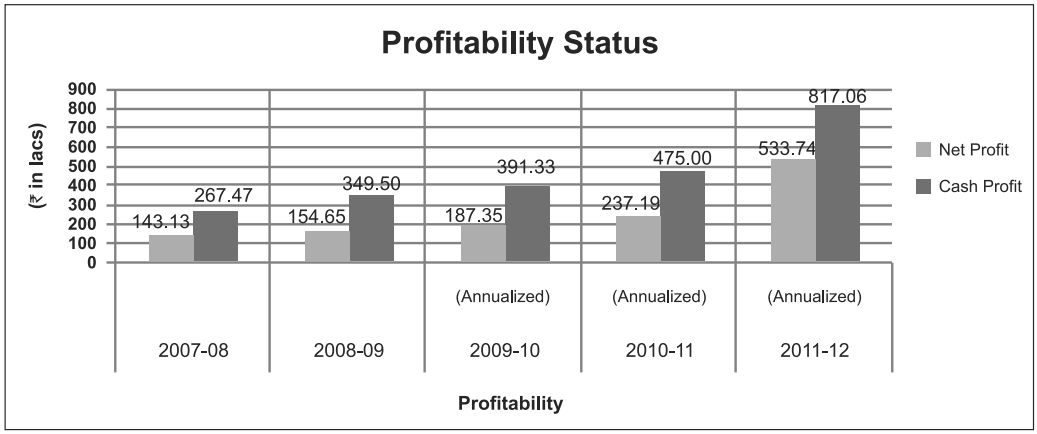
The summarized results are presented below;

FINANCIAL RESULTS	2011-12 (11 months) (₹ in Lacs)	2010-11 (7 months) (₹ in Lacs)
Sales / Other Income	4885.26	2737.83
Gross Profit before interest, depreciation prior Period income and expenditure and impairment Loss and excess provision written back	919.92	502.35
Interest	96.73	53.51
Depreciation	268.69	138.99
Profit / (Loss) before prior period adjustment, exceptional items and Tax	554.50	309.85
Exceptional item due to change of depreciation policy from SLM to WDV from inception for the current year (Refer Note No.23)	543.03	(1275.48)
Provision for Taxation	-	0.69
Provision for deferred Tax	(8.29)	82.95
Profit / (Loss) after Tax	19.76	1501.69
Prior Period Expenses	0.43	1.02
Net Profit	19.33	1500.67



As apparent form the above, the company is on a fast growth track with an exponential rise in sales and profits as it has been able to establish the niche of its products with reputed customers like Dabur, Perfetti, Godrej, Heinz, S C Johnson, Cadila and many others.

CAGR : 17% P.A IN LAST 4 YEARS (GROWTH IN 2011-12 Vs 2010-11 : 26.3%)



Note: Profits have been stated without considering exceptional items, excess provision written back and profits for 2010-11 is without deferred tax

The profitability of the company is increasing consistently due to growth in sales, consolidation of operations and cost control in all spheres of activities.

We are further pleased to inform that the company's financial status has improved significantly as apparent from the table below.

(₹ in Lacs)

Particulars	As on 31.03.2012
Net worth	1515.90
External debts	234.93
Current ratio	1.38
Addition to plant & machinery from 2007-08 to 2011-12 #	**1532.00**

Hence as apparent, the company has completely modernized its unit at Rudrapur with automated equipments from Nissei, Japan to produce Pet bottles and jars of extremely high quality at competitive prices.

Industry Scenario

Pet industry is continuous to grow in the segment of bottles and jars and is getting extremely popular in edible oil bottles, pharmaceutical products, hygiene products, alcoholic beverages, confectioneries etc. This is mainly because of its inherent qualities of its strength and toughness, good optical sparking glass like appearance, odourless, hygienic qualities which have been approved by FDA for food packing with good barrier properties to water and gases, eco-friendly nature. Moreover, it is cost competitive as compared to glass. In view of the above PET products are growing at a phenomenal rates.

Opportunities & Future Outlook

To take the advantage of the aforesaid situation, your company is taking positive steps :

a) Fostering marketing tie-ups with various reputed companies such as Godrej, Priya Gold, S C Johnson, Mother Diary etc.
b) Consolidating its position in its existing customers such as Dabur, Perfetti, Heinz, Wipro etc
c) To take cost reduction measures so as to ensure that our products are most cost competitive but we are able to provide the best services to our customers
d) Setting up new units which are having proximity to our customers so as to have freight advantage and also tax advantage.

In view of the above, your company is setting up projects at Guwahati as well as in Baddi. Both these areas provides substantial tax advantages and also competitiveness in terms of freight. The long term strategy is to set up the units at numerous places all over the country. Three years projections of the company is as follows

(₹ in Lacs)

Particulars	2012-13	2013-14	2014-15
Sales	6000.00	8000.00	10000.00
Cash Profit	1000.00	1300.00	1500.00
Net Profit after tax	550.00	750.00	1000.00
EPS (₹/Share)	2.50	3.40	4.55

Hence your company aims to be leading player and a name to be reckoned in PET packaging industry.

ANNEXURE 'A' TO DIRECTORS' REPORT

Particulars as required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of Directors' Report for the financial year ended 31st March, 2012.

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 ₹ 5.58 Lakhs.

4. COST COMPLIANCE REPORT

The Company has complied with the newly introduced provision i.e Section 209(1) (d) of Companies act, 1956 and has got the cost audit conducted.

As per their opinion of the Cost Auditors in their report proper cost records, are as per Companies (Cost Accounting Records) Rules, 2011 prescribed under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, have been maintained by the company so as to give a true and fair view of the cost of production or operation, cost of sales and margin of all the products and activities of the company. The said books and records give the information required by the Companies Act, 1956 in the manner so required.The said books and records are in conformity with the generally accepted cost accounting principles and cost accounting standards issued by The Institute of Cost Accountants of India; to the extent these are found to be relevant and applicable

By order of the Board
For Innovative Tech Pack Limited

Sd/-
Ketineni Sayaji Rao
Chairman & Managing Director

Place : New Delhi
Date : 20.08.2012

MANAGING DIRECTOR AND V.P. (FINANCE & ACCOUNTS) CERTIFICATION IN TERMS OF CLAUSE 49 (V) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES:

We Ketineni Sayaji Rao, Managing Director and Sanjay Saigal, V.P. (Finance & Accounts) of Innovative Tech Pack Ltd., hereby certify to the Board that:

[a] We have reviewed financial statements and the cash flow statement for the period ended 31st March, 2012 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 period which are fraudulent, illegal or violate the Company's code of conduct.

[c] We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit 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 over financial reporting during the period;

(ii) Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we 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 over financial reporting.

By order of the Board
For Innovative Tech Pack Limited

	Sd/-	**Sd/-**
Place : New Delhi	**(Ketineni Sayaji Rao)**	**(Sanjay Saigal)**
Date : 20.08.2012	Managing Director	V.P. (Finance & Accounts)