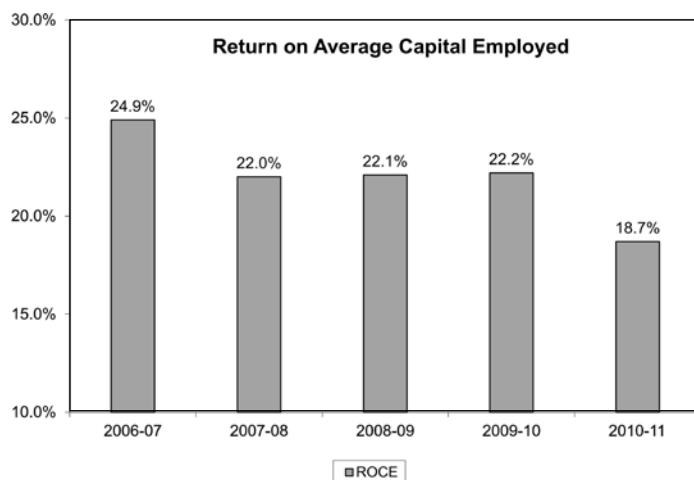
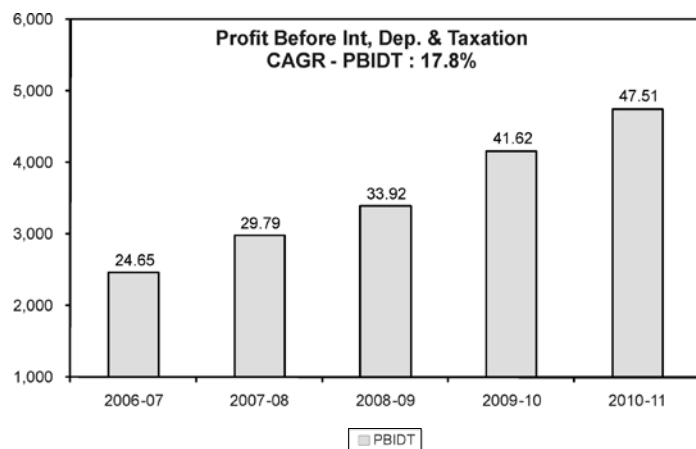
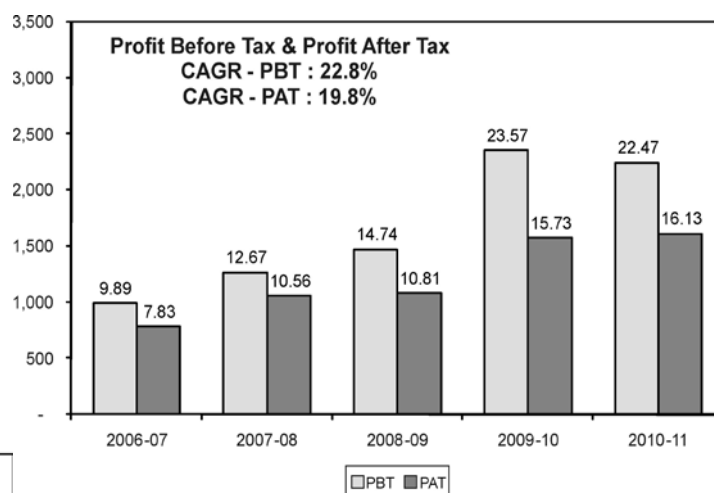
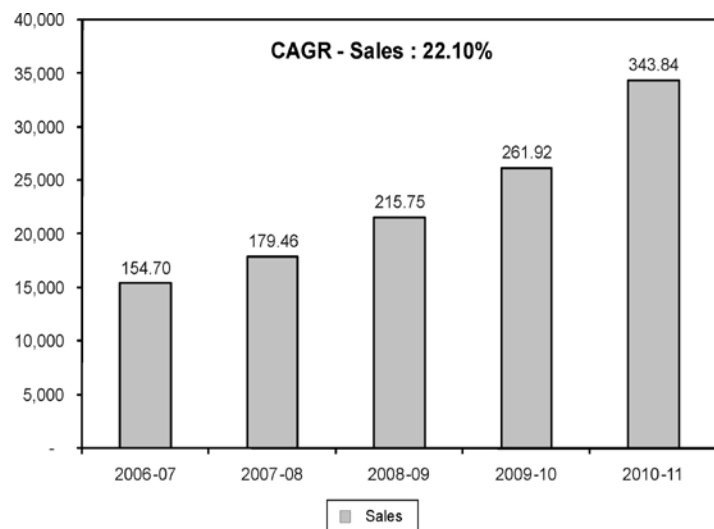




**HITECH PLAST LIMITED**

**20<sup>TH</sup> ANNUAL REPORT 2010-2011**

## HITECH PLAST - CONSOLIDATED (₹ in Crores)



**BOARD OF DIRECTORS :**

Ashwin S. Dani Chairman  
Rajnikant B. Desai  
Rameshchandra S. Gandhi  
Harish N. Motiwalla  
Ranjan M. Kapur  
Ashwin R. Nagarwadia  
Ina A. Dani  
Jalaj A. Dani  
Hasit A. Dani  
Malav A. Dani  
Somasekhar Sundaresan w.e.f 28<sup>th</sup> September 2010  
Ashok K. Goyal Managing Director (CEO)

**MANAGEMENT TEAM:**

Ashok K. Goyal Harshad B. Desai  
Bhupendra P. Dusara Rajiv T. Gandhe  
Neeraj M. Munjal Gursharan S. Bhamra  
Nagaraj M. Khatavkar

**REGISTRAR & TRANSFER AGENT :**

Link Intime India Pvt. Ltd.  
C-13 Pannalal Silk Mills Compound,  
L. B. S. Road, Bhandup (W),  
Mumbai – 400 078.  
Tel No. 2596 3838 Fax No. 2596 2691  
Email : mumbai@linkintime.co.in

**REGISTERED OFFICE & CORPORATE OFFICE :**

C-130 Solaris – 1  
Opp. L&T Gate No.6,  
Powai, Mumbai – 400 072.  
Tel No. 022-40016500 Fax No. 022-28574665  
Email : investor.help@hitechplast.co.in

**AUDIT COMMITTEE:**

Rameshchandra S. Gandhi Chairman  
Harish N. Motiwalla  
Ranjan M. Kapur

**COMMITTEE OF DIRECTORS :**

Ashwin S. Dani Chairman  
Jalaj A. Dani  
Hasit A. Dani  
Malav A. Dani  
Ashok K. Goyal

**REMUNERATION COMMITTEE:**

Rameshchandra S. Gandhi Chairman  
Harish N. Motiwalla  
Ashwin R. Nagarwadia

**INVESTOR'S GRIEVANCE & SHARE TRANSFER COMMITTEE :**

Ashwin S. Dani Chairman  
Jalaj A. Dani  
Hasit A. Dani  
Malav A. Dani  
Ashok K. Goyal

**SUBSIDIARY COMPANY :**

Clear Mipak Packaging Solutions Limited

**STATUTORY AUDITORS :**

Shah & Co., Chartered Accountants, Mumbai

**INTERNAL AUDITORS :**

Shashank Patki & Associates, Pune  
J. V. Ramanujam & Co., Chennai

**BANKERS :**

State Bank of India  
Kotak Mahindra Bank Limited  
Standard Chartered Bank  
Citibank N.A.

**WEBSITE**

[www.hitechplast.co.in](http://www.hitechplast.co.in) / [www.cmpsl.co.in](http://www.cmpsl.co.in)

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## FIVE YEAR REVIEW – HITECH PLAST LIMITED – STANDALONE

(₹ in Lacs except for per share data, number of employees and ratio)

Results for the Accounting Year	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
<b>REVENUE ACCOUNT</b>					
Gross Sales	22,593.23	17,349.52	15,441.99	12,476.59	11,002.23
Net Sales and Operating Income	20,392.49	15,879.59	13,437.87	10,629.33	9,335.50
Growth Rate (%)	28.42	18.17	26.42	13.86	44.40
Materials Cost	12,755.74	9,460.18	8,366.67	6,351.87	5,573.77
% to Net Sales	62.55	59.57	62.26	59.76	59.71
Overheads	4,649.57	3,698.80	3,025.29	2,574.67	2,315.25
% to Net Sales	22.80	23.29	22.51	24.22	24.80
Operating Profit (PBIDT)	3,099.99	2,856.22	2,220.42	1,794.18	1,533.45
Interest Charges	909.90	504.12	658.95	532.02	387.96
Depreciation	573.02	345.94	317.93	353.83	335.14
Profit Before Tax	1,617.07	2,006.16	1,243.54	908.33	810.35
% to Net Sales	7.93	12.63	9.25	8.55	8.68
Profit After Tax	1,185.32	1,374.81	925.79	795.82	668.36
Prior period items	-	-	-	-	(4.02)
Profit after tax and prior period items	1,185.32	1,374.81	925.79	795.82	664.34
<b>CAPITAL ACCOUNT</b>					
Share Capital	1,317.57	1,317.57	1,317.57	1,317.57	1,317.57
Reserves and Surplus	5,576.27	4,635.96	3,491.60	2,418.71	1,777.05
Deferred Tax Liability/Asset (Net)	256.15	203.40	172.06	1.76	(18.38)
Loan Funds	6,218.38	4,046.71	1,859.25	2,722.83	2,877.28
Fixed Assets	5,845.31	4,643.74	2,334.22	1,739.91	1,313.47
Investments	3,408.89	2,805.54	1,911.70	1,911.70	2,493.96
Net Current Assets	4,114.17	2,754.36	2,594.56	2,809.27	2,146.09
Debt - Equity Ratio	0.90	0.68	0.38	0.72	0.93
Market Capitalisation	10,935.83	11,462.86	4,420.45	8,432.45	8,913.36
<b>PER SHARE DATA</b>					
Earning Per Share (₹)	9.00	10.43	7.03	6.04	5.16
Dividend (#)	1.60	1.50	1.10	1.00	0.80
Book Value (₹)	52.32	45.19	36.50	28.36	23.49
<b>OTHER INFORMATION</b>					
Number of Employees	336	343	299	203	171

(#) Recommended by the Board, subject to approval of the Shareholders.

## MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors are pleased to present the Management Discussion and Analysis for the year ended 31<sup>st</sup> March, 2011.

In line with the accepted good corporate practices, Hitech Plast has been reporting consolidated results – taking into account the results of its subsidiary namely Clear Mipak Packaging Solutions Limited, a combined entity after the merger of Mipak Polymers Limited into Clear Plastics Limited.

### Indian Economic Review

The financial year 2010-11 has come to close on a high note. The Government collected an all-time high direct tax of ₹ 4.5 lakh crore in this year - about ₹ 4,000 crores more than the revised budget estimate and 20% over the direct tax collection last year. The country's GDP growth is likely to come in at 8.4% in the FY 2011 and expected to be sub-8% in FY 2012. The IIP numbers have shown increase of 7.4% in March 2011 compared to 6.8% in March 2010. To curb the rising inflation, the RBI has continuously increased interest rates latest being increase of 50 bps in May 2011.

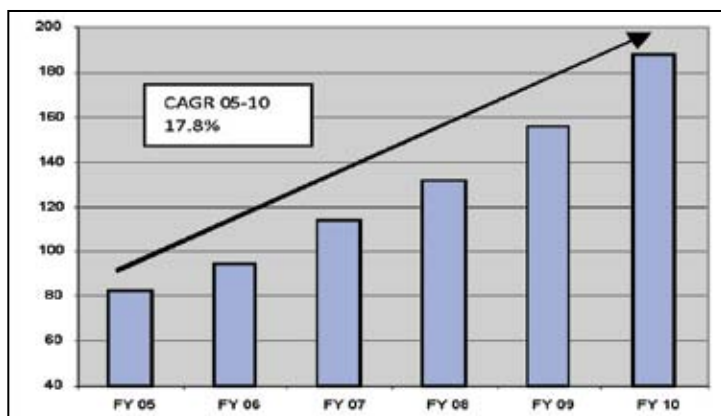
### Packaging Industry

The Company's main products are rigid plastic containers and bottles specially catering to customers relating to Paints, Healthcare, Consumer Goods, Lube and Pesticides.

### Presence of Hitech Plast in Paint Industry and FMCG Industry

Hitech Plast has presence in supplying rigid packaging to Paint and Fast Moving Consumer Goods (FMCG) industry. The drivers of growth for both these industries have been highlighted hereinbelow:

#### I) PAINT INDUSTRY

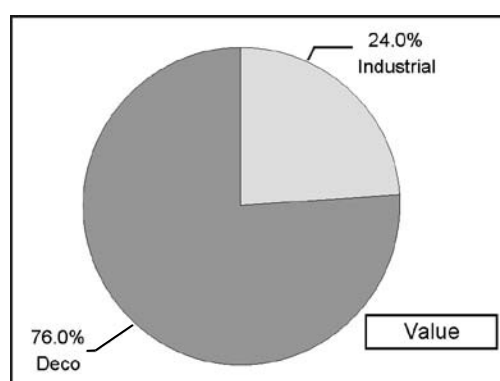
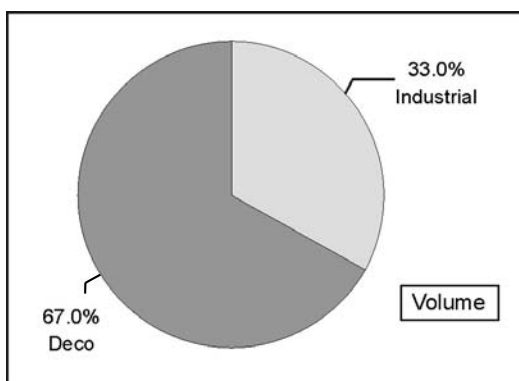


India's industry size is estimated to be ₹ 190 billion (~ 2 m kilolitres by volume), nearly one and a half times the size of next largest FMCG sub-category (biscuits which is at ₹ 120 billion). Despite the large size, the paint industry has posted strong growth sales CAGR of 17.8% over FY05-10. Volume growth of the top-five organized players stood at 13.6% during the same period.

[Source: Industry, Asian Paints Annual Reports]

#### a) Decorative Paints to grow faster

The paint market can be divided into two broad product segments – decorative and industrial. In India, decorative paints form the bulk of the market, both in value and volume terms.



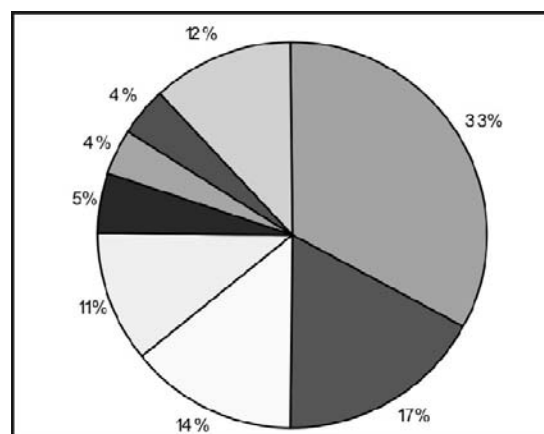
[Source: Industry data, Standard Chartered Research]

### Up-trading in Decorative happening at a faster pace

In the past few years, water based emulsions, comprising nearly one-third of the market, have been increasingly substituting lower-end paints such as distempers, cement paints and enamels. As per the industry sources, growth in emulsions has been significantly higher than that of other paints. High durability, better looking finish in a wider colour-range, more environmental friendly and increasing affordability due to availability of economy emulsions at a relatively lower cost have been driving the shift to emulsions.

### b) Decorative Paints segmentation:

Segment	%
Enamels	33%
Emulsions (Interior)	17%
Emulsions (Exterior)	14%
Primers & Thinners	11%
Wood Finishes	5%
Cement Primers	4%
Putty	4%
Distemper	12%
TOTAL	100%



[Source: India Small Scale Paints Association, IPA, Standard Chartered Research]

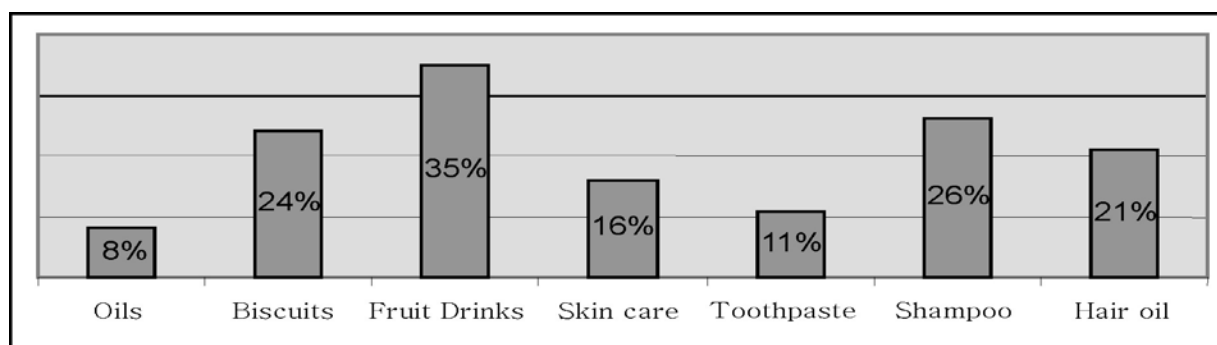
Hitech group is expected to grow in line with the paint industry's projected growth in terms of volume of 13-15% per annum, over FY12 – FY 13E. Decorative paints are set for higher growth, given in-place demand drivers, which are 1) robust economic growth resulting in higher disposable income, 2) real estate boom in the past few years, translating into increase in demand for repainting, 3) continued growth in real estate, 4) launch of 'affordable housing', 5) change in perception towards painting, 6) shift in demographic profile resulting in increase in number of households and 7) various innovations by large players. In addition, it is expected that, apart from overall volume growth, significant up-trading – from cheaper distemper to interior emulsions, cement primers to exterior emulsions and low-end emulsions to premium emulsions, will take place.

## II) FMCG INDUSTRY

The fast moving consumer goods (FMCG) industry, which accounts for 2.2 per cent of India's GDP, is set to attain size of ₹ 1300 billion in FY 11. The FMCG industry in India has grown rapidly and the growth rates across different product categories are good indicators of how the Indian consumer has evolved. The sector witnessed a robust year-on-year growth of approximately 11 per cent in the last decade, almost tripling from ₹ 470 billion in FY 2001 to the current size.

The last five years have augured well for the industry with an annual growth rate of approximately 17 per cent since FY 2006. Even in the meltdown years of FY 2008 and FY 2009, the FMCG industry witnessed sustained growth rates of 14 per cent and 11 per cent, respectively, demonstrating that unlike other sectors, this sector was relatively recession-proof.

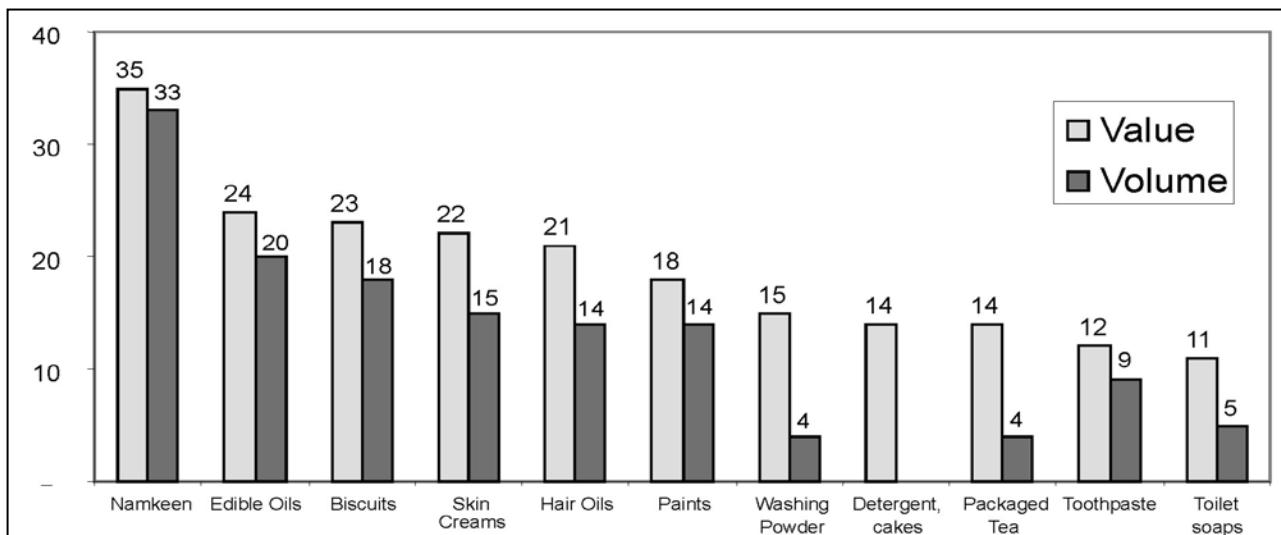
Within the category of food products which account for nearly 45 per cent of the industry size, staple products like edible oils have grown at single digits given a high degree of penetration as well as established usage patterns. Fruit juices on the other hand have reported exponential growth, moving from near zero level in FY 2000 to ₹ 9 billion at present. Similar trends are visible in the personal products category with skin care creams outpacing the growth of more mundane product line such as toothpaste. Increased incomes, changing social habits and growing awareness of healthier and packaged beverages have contributed to these patterns as shown below, during the last five years.



[Source: IDFC Institutional Research]

There are well-identified three sets of players operating within a highly developed and intensely competitive landscape viz., a) Foreign players such as Unilever, P&G, Nestle, RBL, ITC, GSK, SC Johnson, J & J, Cadbury, Amway etc., b) strong Indian players with established national presence such as Dabur, Marico, Pidilite, Godrej Consumer Products, Parle, Tata Tea, Emami, Paras Pharma, Future Group, etc. and c) regional or small domestic players such as Kevincare, Patanjali, Swan sweets, Ravalgaon, Amar Tea, Society Tea, etc.

Growth (in terms of %) in paint and other top 10 FMCG categories in the last five years:



[Source: Industry, Company data, Standard Chartered Research]

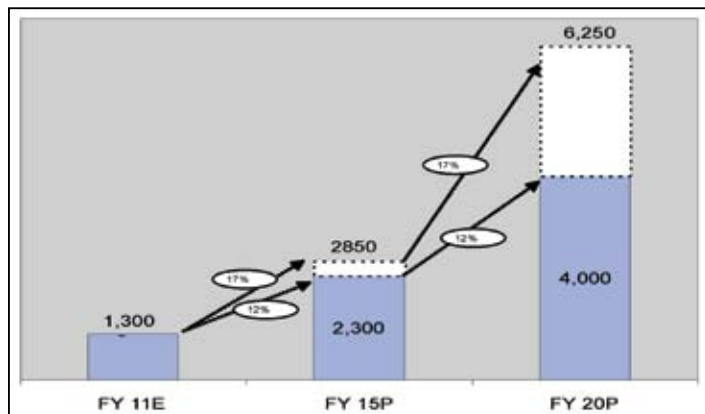
## Break up of FMCG segmentation

	(₹ in billion)	Volume Growth achieved in last 5 years		(₹ in billion)	Volume Growth achieved in last 5 years
Namkeens	70		Packaged Tea	67	4
Edible Oils	95		Toothpaste	39	
Biscuits	120		Toilet Soaps	92	
Skin Creams	51	15	Non-Refined Edible Oils	60	
Hair Oils	104	14	Ready-to Eat foods	89	
Paints	190		Health Beverage	11	30
Household care	97	12	Confectionary	6	15
Detergent, cakes	119		Ice Creams	18	
Soft Drinks CSD	72		<b>TOTAL</b>	<b>1300</b>	

[Source: IIFL Research, Company data, CII, IBEF, Standard Chartered Research]

Hitech through its subsidiary caters to some of the segments which are marked above in black colour.

We feel that having habituated for a decade of tremendous economic growth, the Indian FMCG industry is now ready to sustain that growth and forge ahead. There are three key forces at work within and outside the industry which drive this development. These are a) development cycle of the industry, b) macroeconomic factors and c) evolving consumer profile. All these factors will combine to catapult consumer demand for FMCG to newer heights.



[Source: FMCG Roadmap to 2020, CII and Booz & Co.,]

This report estimates that the FMCG industry will grow at least 12 per cent annually to become ₹ 4000 billion in size by 2020. Additionally, if some of the factors play out favourably, say, GDP grows a little faster, the government removes bottlenecks and implement GST, infrastructure investments picks up, there is more efficient spending on government subsidy and so on, growth can be significantly higher. It could be as high as 17 per cent, leading to an overall industry size of ₹ 6250 billion, by FY 2020.

### **Opportunities and Strengths**

Independent market survey reveals that rigid plastic packaging remains a highly sought and value driven alternative to traditional materials like glass, metal and paperboard for a range of consumer applications. Rigid Plastics continued to be viewed as highly favourable option over traditional materials and will enjoy strong growth over the next five years. Study further shows that consumers continue to value the performance attributes of plastic packaging, including lightweight, safety, shelf appeal, convenience as metal packaging is preferred less by consumers and suffers from reduced shelf appeal. The amount of plastic packaging has increased significantly in the last few years and its image has clearly improved, though public opposition to plastics on environmental grounds persists and manufacturers continue to investigate new strategies and alternatives to meet sustainability goals for their products.

### **Risks and Concerns**

The Company's business is dependent on the growth of end-user industries such as paints, chemicals and FMCG. During economic slowdown in the past, the paints and chemicals industries too slowed down because of their end users – infrastructure, construction, textiles, automobiles and personal care. Any such slowdown in the future may have an impact on the Company's performance.

The main raw materials are derivative of crude oil, which exposes the Company to the volatility in raw material prices. Although the Company has an arrangement with most of its customers wherein the increase in prices of polymers can be passed on, generally the pass-on happen with a lag effect. This could adversely impact margins till the prices are actually passed on.

The Company is currently in the process of expanding its manufacturing capacities at various locations. Any delay in commissioning of these capacities may impact the financial estimates of the Company.

### **Audit and Internal Control Systems**

The Company has an adequate system of internal control relating to purchase of stores, raw materials including components, plant & machinery, equipment and other similar assets and for the sale of goods commensurate with the size of the Company and nature of its business.

The Company also has Internal Control System for speedy compilation of accounts and Management Information System Reports and to comply with applicable laws and regulations.

The Company has an effective budgetary system. The Management reviews the actual performance with reference to budgets periodically. The Company has a well-defined organization structure, authority levels and internal rules and regulations for conducting business transactions.

### **Health, Safety and Environment**

The Company is committed to conduct its operations with due regard to the environment and providing a safe and healthy workplace for employees. The collective endeavour of your Company's employees at all levels is directed towards sustaining and continuously improving standards of environment, occupational health and safety in a bid to attain and exceed defined benchmarks.

### **Human Resources and Industrial Relations**

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, quality and accountability at functional levels.

With the changing and turbulent business scenario, our basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels, motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities. The total number of employees of Group at 31<sup>st</sup> March 2011 was 1000 (949 as at 31<sup>st</sup> March 2010).

### **Financials**

Net sales for the standalone entity increased to ₹ 204 crores from ₹ 159 crores in the previous year – a growth of 28%. However, standalone volume growth was 18.3%. For the group, net sales increased to ₹ 344 crores from ₹ 262 crores – a growth of 31%. Consolidated volume growth was 20.4%. The polymer prices were 15% higher as compared to the previous year.

As a result, the Company has been unable to maintain the operating profit (PBIDT) margin. For standalone entity, it went down from 17.9% to 15.2 % as well as on consolidated basis it went down from 15.9% to 13.8% in the year 2010-11.

The profit after tax for the standalone entity in 2010-11 stands at ₹ 11.85 crores as against ₹ 13.75 crores in the previous year. Net profit after tax and minority interest for the group stands at ₹ 14.42 crores, as compared to ₹ 14.94 crores, in the previous year. The group performance was better due to excellent profitability growth posted by the subsidiary for the year 2010-11.

### Quality

In a business where customer requirements are becoming increasingly diverse and demanding, the most effective sales driver is a consistently high product quality.

In its continuous pursuit for Quality, apart from various steps, your Company has recently completed II<sup>nd</sup> surveillance audit of three manufacturing units and Corporate with upgraded accreditation to ISO 9001:2008 by Det Norske Veritas, Netherlands.

### Analysis of Operating Performance (Consolidated)

(₹ in Lacs)

Sr. No.	Particulars	2010-2011	2009-2010
1.	Net Sales / Income from Operations	<b>34,384</b>	26,192
2.	Total Operating Income	<b>34,604</b>	26,411
3.	Total Operating Expenses	<b>29,853</b>	22,249
4.	Operating Profit	<b>4,751</b>	4,162
5.	Operating Profit (%)	<b>13.8%</b>	15.9%
6.	Profit after Tax (PAT) (after Minority Interest)	<b>1,442</b>	1,494
7.	PAT (after Minority Interest) to Net Sales (%)	<b>4.19%</b>	5.7%
8.	E.P.S. (₹)	<b>10.94</b>	11.34
9.	ROCE (%)	<b>18.7%</b>	22.2%
10.	Debt : Equity	<b>1.56</b>	1.36

### Cash Flow Analysis

(₹ in Lacs)

Sr. No.		2010-2011	2009-2010
	<b>Sources of Cash</b>		
1.	Cash Generation before interest	<b>4,708</b>	4,116
2.	Issue of Capital	<b>402</b>	596
3.	Loans	<b>2,658</b>	1,994
4.	Capital Subsidy	<b>30</b>	-
	<b>TOTAL</b>	<b>7,798</b>	6,706
	<b>Utilization of Cash</b>		
1.	Purchase of Fixed Assets	<b>3,756</b>	3,453
2.	Tax Payments	<b>674</b>	716
3.	Interest	<b>1,216</b>	855
4.	Dividend	<b>228</b>	169
5.	Changes in Working Capital	<b>1,959</b>	1,334
	<b>TOTAL</b>	<b>7,833</b>	6,527
	<b>Change in Cash and Cash Equivalents</b>	<b>(35)</b>	179

### Risk Management and Concerns

Risk is the uncertainty involving situations and the impact of their possible outcome of events. Every responsible Corporate puts in place certain risk mitigation mechanism that protect the Business from adverse business effects. The Company is exposed to various external and internal risks and undertake following initiatives to mitigate their impact.



1. **Raw Materials Risks:** A significant rise in raw materials prices and other input costs can dent the Company's profitability. The Company major inputs are linked to prices of crude oil. The price of the Indian basket of crude averaged \$ 85.09 per barrel in 2010-11, up 22% from \$ 69.8 per barrel in 2009-10.

**Risk Mitigation:** The Company has an arrangement with most of its customers wherein the increase in prices of polymers can be passed on, though pass-on happens with a lag effect.

2. **Industry Risks:** Slowdown in user industries could affect the sales turnover of the Company.

**Risk Mitigation:** The Company is a well-established player and the market leader in plastic containers packaging for the paints industry. The Company is well positioned to benefit from growth in the paints industry, which is expected to grow at 15-17% over next few years.

### General Scenario

**Rising inflation has lead to monetary tightening:** Inflationary pressures have risen sharply in the last couple of months, both with the rise in international commodity prices and the recent sharp rise in food prices. Inflation in the month of March has remained above 8% much ahead of the RBI's target. RBI and the government had earlier expected the inflation to fall to 5% by the end of March. As a result the RBI was left with no option but to go for a higher than expected increase in policy rates. The RBI increased the REPO rates by 50 bps to 7.25% and the Reverse Repo to 6.25% to tackle higher inflation.

**Growth will slip down in FY12 to sub-8%:** RBI has downgraded the growth target for FY 12 to 8% as against the target of 9% by the government. This will have implications on the fiscal deficit front as the governments fiscal deficit target of 4.6% assumes strong buoyancy in revenues which might suffer if there is lower growth.

**Investment cycle failing to gain traction:** The investment cycle, which was the biggest contributor to growth during FY03-08, has not yet returned to pre-crisis growth rates, even though demand growth has returned. Since the cyclical peak in FY08, India's gross fixed-capital formation has stagnated at 32-33% of GDP in nominal terms. The slowdown in FY09 and early part of FY10 was understandable, given the global uncertainties, but the continued delay in a revival of growth is worrisome, and bodes ill for sustenance of high growth in the medium term.

### Cautionary Statement

The statements made are based on certain projections, estimates, expectations or outlook may be forward looking. Actual results may differ materially from those stated on accounts of factors such as change in government regulations, tax regimes, economic developments within India and outside influencing the related policies, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply. The Company assumes no responsibility to publicly amend, modify or revise statements, on the basis of any subsequent developments, information or events.

## DIRECTORS' REPORT

Dear Members,  
HITECH PLAST LIMITED

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company and the Audited Accounts for the year ended March 31, 2011.

[₹ in Lacs]

	HITECH PLAST LIMITED			HITECH PLAST CONSOLIDATED		
	2010-11	2009-10	Growth %	2010-11	2009-10	Growth %
Gross Sales	22,593	17,349	30.2	37,459	28,233	32.7
<b>Sales (Net of Excise)</b>	<b>20,392</b>	15,880	28.4	<b>34,384</b>	26,192	31.3
Other Income	113	135	-16.3	220	219	12.3
Total Income	20,505	16,015	28.0	34,604	26,411	31.1
Total Expenditure	17,405	13,159	32.3	29,853	22,249	34.2
<b>Operating Profit</b>	<b>3,100</b>	2,856	8.6	<b>4,751</b>	4,162	14.8
Interest and Financing Charges	910	504	80.6	1,241	856	48.0
Depreciation	573	346	65.6	1,262	949	33.0
<b>Profit (Before Tax)</b>	<b>1,617</b>	2,006	-19.4	<b>2,248</b>	2,357	-4.6
Less: Provision for Tax	379	600	-36.8	566	691	-18.9
Provision for Deferred Tax	52	31	67.7	69	93	-25.8
<b>Net Profit (After Tax)</b>	<b>1,186</b>	1,375	-13.7	<b>1,613</b>	1,573	2.5
Minority Interest	-	-	-	171	79	116.5
<b>Net Profit after Minority Interest</b>	<b>1,186</b>	1,375	-13.7	<b>1,442</b>	1,494	-3.5
Previous year balance brought forward	3,438	2,363		3,600	2,406	
<b>Disposable Profit</b>	<b>4,624</b>	3,738		<b>5,042</b>	3,900	
<b>Appropriations</b>						
Proposed Dividend on Equity shares	211	198		211	198	
Tax on Equity Dividend	34	33		34	33	
Transfer to General Reserve	89	69		89	69	
<b>Balance carried to Balance Sheet</b>	<b>4,290</b>	3,438		<b>4,708</b>	3,600	

### OPERATIONS

Net sales and operating income for the standalone entity increased to ₹ 205 crores from ₹ 160 crores in the previous year – a growth of 28%. The operating profit (PBITD) increased by 8.5%, from ₹ 28.56 crores to ₹ 31.00 crores. Despite volume growth of 18.3% over the previous year, operating margins were under pressure because of volatility in polymer prices, which are linked to crude oil prices. Polymer prices were 15% higher as compared to previous year and the entire increase in the prices of polymers could not be passed on to the customers because of lag effect and due to competition in the market place, resulting in profits after tax reduction to ₹ 11.86 crores from ₹ 13.75 crores.

After commissioning of the Rohtak unit in April 2010, the total installed capacities stands at close to 15,875 MT. In the very first year of its operations, Rohtak unit produced as high as close to 2,900 MT.

The consolidated net sales and operating income increased to ₹ 346 crores from ₹ 264 crores – a growth of 31%. The operating profit (PBITD), increased by 15%, from ₹ 41.62 crores to ₹ 47.51 crores. Despite volume growth of 20.4% over the previous year, as mentioned above, due to volatility in polymer prices, operating margins were under pressure. Net profit after tax increased to ₹ 16.13 crores from ₹ 15.73 crores.

In the past, initiatives taken by the Management, keeping in mind longer term perspective, of entering into food and pharma sector of FMCG had reaped the benefits with excellent performance reported by the subsidiary during the year. These initiatives have been continued by investing substantially in creating clean room facilities, one of the pre-requisite of food and pharma sector, for sustaining growth.

The detailed analysis on the performance of the Company is discussed in Management Discussion and Analysis, which forms part of this Report.



## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as stipulated by Clause 32 of the Listing Agreements, Consolidated Financial Statements presented by your Company include financial information of its subsidiary.

## **DIVIDEND ON EQUITY SHARES**

Your Company follows a policy of maintaining a balance between the need to reward the shareholders for their continued faith in the management and its own investment needs to capitalize on various business opportunities through a large proportion of internal accruals which would maximise shareholders value. In keeping with the stated policy, the Directors are pleased to recommend for approval of the shareholders, dividend of ₹ 1.60 per share (at the rate 16%), (Previous year ₹ 1.50 per share), on the Equity Shares of the Company for the year ended 31<sup>st</sup> March, 2011.

The proposed dividend on Equity share capital will absorb ₹ 2.11 crores for dividend and ₹ 0.34 crores for Dividend Distribution Tax.

## **TRANSFER TO RESERVES**

Your Company proposes to transfer ₹ 0.89 crores to the general reserve. An amount of ₹ 42.90 crores proposed to be retained in the Profit and Loss account.

## **CORPORATE GOVERNANCE**

Your Company continues to be committed to good corporate governance aligned with the best corporate practices. It has also complied with various standards set out by SEBI and the Stock Exchanges, where it is listed.

Management Discussion and Analysis Report for the year under review, as stipulated by Clause 49 of the Listing Agreements with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

A separate report on Corporate Governance forms part of the Annual Report, pursuant to Clause 49(VII) of the Listing Agreements. Your Company is compliant with the requirements of the Listing Agreements and required disclosures have been made in this regard in the Corporate Governance Report. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

A certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated under Clause 49 of the Listing Agreements is annexed hereto.

## **CREDIT RATING**

CRISIL has upgraded its ratings on the bank facilities of your Company to 'A/Stable/P1' from 'A-/Stable/P2+'.

## **LIQUIDITY**

Your Company believes that the cash management is adequate to meet its capital expenditure and working capital requirements for the near future.

## **HOLDING COMPANY**

Your Company is a subsidiary of Geetanjali Trading And Investments Private Limited, which holds 60.94% of the Equity Share capital of the Company.

## **SUBSIDIARY COMPANY**

Your Company's subsidiary Clear Mipak Packaging Solutions Limited has reported an excellent results and Profit before tax of ₹ 6.30 crores, for the year ended 31<sup>st</sup> March, 2011 as compared to profit of ₹ 2.09 crores, for the previous year.

As required under Section 212 of the Companies Act, 1956, the financial statements of the subsidiary company for the year ended 31<sup>st</sup> March, 2011 are attached to this report.

The Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956, is given at the end of Notes to the Accounts.

## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company is a responsible corporate citizen, and strives to give back to the community it operates in. The Corporate Social initiatives, which the Company has identified and implemented, are as under:

1. Cashless medical facilities continued covering the employees of the Company, their spouses and upto two children.
2. Eye check-up and Blood donation camp organized jointly with other members through NGO.

**LISTING**

The Company's securities continue to be listed on two Stock Exchanges viz; Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and applicable listing fees have been paid up to date.

**FIXED DEPOSITS**

Your Company continued accepting fixed deposits from shareholders, friends, the relatives of directors and business associates which stood at an amount of ₹ 7.30 crores, against ₹ 6.64 crores at the end of previous fiscal year. The Company had paid timely interest payment on all fixed deposits. There is no unclaimed Fixed Deposit as on 31<sup>st</sup> March, 2011.

**INSURANCE**

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured.

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

The particulars as prescribed under Sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are provided in the Annexure to the directors' report section. Details of expenditure and earnings in foreign currencies are given under Schedule "O" to the financial statements.

**STATUTORY DISCLOSURES**

Your Directors have made necessary disclosures as required under various provisions of the Act and Clause 49 of the Listing Agreement. Particulars of employees as required under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are given in Annexure 'A' forming part of this Report. Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'B' forming part of this Report.

**RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that year;
- c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the year ended 31<sup>st</sup> March, 2011 on a going concern basis.

**DIRECTORS****a) Appointment**

1. Mr. Somasekhar Sundaresan was appointed as an Additional Director with effect from 28th September, 2010. As per provisions of Section 260 of the Companies Act, 1956, as an Additional Director, he holds the office up to the date of the ensuing Annual General Meeting of the Company and eligible for appointment as a Director of the Company, liable to retire by rotation.

The Company has received notice under Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company. Resolution seeking approval of the Members for appointment of Mr. Somasekhar Sundaresan as a Director of the Company, liable to retire by rotation, has been incorporated in the Notice of the ensuing Annual General Meeting alongwith brief details about him.

2. In view of the vacancy caused by the sad demise of Mr. Anand S. Bhatt, Mr. Ashwin R. Nagarwadia was appointed as a Director to fill the casual vacancy with effect from 31st January 2009. Pursuant to Section 262 of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company, Mr. Ashwin R. Nagarwadia would have held office upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Act along with the requisite deposit proposing the candidature of Mr. Ashwin R. Nagarwadia as a Director at the ensuing Annual General Meeting.

**b) Directors retire by Rotation**

In accordance with the requirement of the Companies Act, 1956 and as per Article 104 of the Articles of Association, Mr. Harish N. Motiwala and Mr. Rameshchandra S. Gandhi, Directors, are liable to retire by rotation and being eligible, offer themselves for

re-appointment at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Corporate Governance Section.

The above appointments, re-appointment forms part of the Notice of the ensuing Annual General Meeting and the relevant Resolutions are recommended for your approval.

c) Group

Pursuant to intimation from the promoters, the names of the Promoters and entities comprising 'group' are disclosed herein below for the purpose of Regulation 3(1)(e)(i) of the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

- |   |  |
|---|--|
| 1. Clear Mipak Packaging Solutions Limited                    | 9. Omega Properties Private Limited                    |
| 2. Coatings Specialities (India) Limited                      | 10. Rangudyan Insurance Broking Services Limited       |
| 3. Dani Finlease Limited                                      | 11. Resins & Plastics Limited                          |
| 4. Geetanjali Trading And Investments Company Private Limited | 12. S C Dani Research Foundation Private Limited       |
| 5. Gujarat Organics Limited                                   | 13. Suprasad Investments & Trading Co. Private Limited |
| 6. Haish Holding and Trading Company Private Limited          | 14. Suryakant Paints and Accessories Private Limited   |
| 7. Hiren Holdings Private Limited                             | 15. Vijal Holding and Trading Company Private Limited  |
| 8. Isis Holding and Trading Company Private Limited           |  |

## AUDITORS

M/s. Shah & Co., Chartered Accountants, the present Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting, and are eligible for reappointment.

The Company has received letters from the auditors to the effect of his reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and he is not disqualified for reappointment within the meaning of Section 226 of the said Act. The Board of Directors recommends the appointment of M/s. Shah & Co., Chartered Accountants as a Statutory Auditors of the Company.

## ACKNOWLEDGEMENTS

Your Directors thank all the Company's Shareholders, Customers and Vendors for their continued support throughout the year. We also thank Banks, Government of India, State Governments and other government agencies for the support extended by them and also look forward to their continued support in future.

Your Directors also wish to place on record their appreciation of the contribution made by the Company's employees at all levels under the leadership of the Managing Director, but for whose hard work, solidarity, cooperation and support, your Company's consistent growth would not have been possible.

FOR AND ON BEHALF OF THE BOARD

Mumbai  
28<sup>th</sup> May, 2011

**ASHWIN S. DANI**  
CHAIRMAN

## Mission Statement

**To be best at satisfying customers' needs with innovative and tailored packaging products. This will be achieved through integrating individual creativity and talent into the process of collective action of our employees.**

## ANNEXURE 'A' TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2011.

(Pursuant to the Notification dated 31<sup>st</sup> March, 2011, issued by Ministry of Corporate Affairs)

Name	Age	Designation of Employee	Gross Remuneration (₹ in Lacs)	Other terms and conditions	Nature of duties of the employee	Qualifications and experience of the employee	Date of commencement of employment	Last employment held by such employee before joining the company.
Ashok K. Goyal	60 years	Managing Director	80.52	As per Notes	As per Notes	B. Tech (Mech.), PGDM, IIM 37 years of experience	31 <sup>st</sup> May, 1997	Muscat Cold Stores LLC

Notes:

- Gross Remuneration shown above is subject to tax and comprises of salary, special allowances, discretionary allowances, leave travel allowance, medical reimbursement and performance linked bonus as decided by the Board of Directors and Company's Contribution towards Provident Fund.
- In addition to the above remuneration, Mr. Ashok K. Goyal is entitled to Gratuity in accordance with the Company's rules.
- Mr. Ashok K. Goyal is not a relative of any Director of the Company nor he holds more than 2% of the paid up equity capital of the Company.
- Nature of duties of employment of Mr. Ashok K. Goyal is contractual, governed by its rules and conditions of service.

FOR AND ON BEHALF OF THE BOARD

Mumbai  
28<sup>th</sup> May, 2011

**ASHWIN S. DANI**  
CHAIRMAN

## ANNEXURE 'B' TO DIRECTORS' REPORT

### Conservation of Energy:

- a. Your Company continues to emphasize on energy conservation at the early stage of designing manufacturing unit, selection of moulding machines, electrical equipment for optimizing energy consumption by installing required equipment to improve the power factor. Energy conservation continues to receive top priority in the Company.

Specific Energy conservation measures are:

1. Several modifications were made in the moulding machines to increase the production with the same input energy. This is expected to bring down the energy consumption;
2. Air control units were overhauled to increase the life of compressors;
3. Installation of capacitors.

- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

In the month of March 2008, your Company installed Wind Power Generator of 0.6 MW which was operational for the entire year and met the power requirement of unit in Tamil Nadu. We are considering using energy efficient light fittings in the whole plant.

- c. Impact of the measures on the cost of production of goods:

The above mentioned measures have resulted in energy saving and subsequent reduction in energy cost and hence in cost of production.

### FORM A

Form for Disclosure of particulars with regard to Consumption of Energy:

#### A. Power and Fuel Consumption:

ELECTRICITY		2010-11	2009-10
a.	Purchased -		
	Units ('000 Kwh)	<b>12,940</b>	10,636
	Total Amount (₹ in Lacs)	<b>568.94</b>	446.14
	Rate/Unit (₹)	<b>4.40</b>	4.19
b.	Own Generation		
	Through Diesel Generator -		
	Units ('000 Kwh)	<b>1,656</b>	955
	Units per ltr. of diesel oil	<b>3.12</b>	3.07
	Cost/ Unit (₹)	<b>12.30</b>	11.21
c.	Own Generation		
	Through Wind Farm -		
	Units ('000 Kwh)	<b>1,105</b>	1,363
	Total Amount (₹ in Lacs)	<b>42.36</b>	51.91
	Rate/Unit (₹)	<b>3.83</b>	3.81

#### B. Consumption per unit of Production:

	2010-11	2009-10
KWH / kg.	<b>1.08</b>	1.07

**FORM B**

Disclosure of particulars with regard to Absorption:

Research and Development (R & D):

1. Specific areas in which R & D carried out by the Company:

The Company's management believes that continuous effort to establish a strong performance in the fields of R&D vis-à-vis product and process development are of paramount importance to preserve and strengthen the competitive position the Company holds in packaging of paints.

The specific areas in which R&D is carried out include:

- a. Modification of moulds for weight reduction;
- b. 1 litre twin cavity mould with hot runner.

2. Benefits derived as a result of the above R & D:

- a. Lower cycle time and hence higher production;
- b. Reduced manpower.

3. Future plan of action:

Have a roadmap for 2012-13 with high emphasis on paint containers with low weight of polymers without compromising the specific parameters required by the customers. Making moulds of hard supreme steel in square shape with Be-cu inserts which are robust in design and longer life.

4. Expenditure on R & D during the year is as follows:

(₹ in Lacs)		
Particulars	2010-11	2009-10
(a) Capital	52.25	--
(b) Recurring	84.10	57.39
Total	136.35	57.39
Total R & D expenditure as a % of turnover	0.67%	0.36%

Technology absorption, adaptation and innovation:

1	Efforts, in brief, made towards technology absorption, adoption and innovation.	Technology Centre team members were receptive to changing needs of the product and mould design based on various parameters from our valued customers.
2	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.,	This helped the Company in increasing its share in paints industry segment with innovative products offered based on specific needs of the customers. Further, attainment of higher customer satisfaction.
3	Information regarding technology imported during the last five years.	Not applicable

Foreign Exchange earnings and outgo:

Details of earnings and expenditure in foreign currency have been given separately under Note No. 12 & 13 in Schedule 'O' Notes to Accounts.

FOR AND ON BEHALF OF THE BOARD

Mumbai  
28<sup>th</sup> May, 2011

**ASHWIN S. DANI**  
CHAIRMAN

## Auditors' Report to the members of Hitech Plast Limited

We have audited the attached Balance Sheet of Hitech Plast Limited ('the Company') as at 31<sup>st</sup> March 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
- d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- e) On the basis of the written representations received from the Directors of the Company as at 31<sup>st</sup> March 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the prescribed manner and give a true and fair view in conformity with the accounting principles generally accepted in India :

(i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31<sup>st</sup> March 2011;

(ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date;

And

(iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Shah & Co.**  
Chartered Accountants  
FRN: 109430W

Mumbai  
28<sup>th</sup> May, 2011

**A. H. SHAH**  
Partner  
M. No. 103750



**Annexure referred in paragraph 3 of the auditors' report to the members of Hitech Plast Limited for the year ended 31<sup>st</sup> March, 2011.**

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and location of the fixed assets.  
(b) The Company has a regular programme of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- 2 (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
- 3 The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register required to be maintained under Section 301 of the Act.
- 4 In our opinion, and according to the information and explanations given to us, there is an adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of audit.
- 5 (a) According to the information and explanations given to us, the particulars of all contracts and arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.  
(b) In our opinion, and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under Section 301 of the Act, have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 We are informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products.
- 9 (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable.

There were no dues on account of Cess under Section 441A of the Act, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.



- (b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of dues	Financial Year	Amount (₹ in Lacs)	Forum where dispute is pending
Income Tax	IT matters under dispute	2007-08	66.02	CIT (A)

- 10 The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11 The Company has not defaulted during the year in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 As the Company is not a chit fund, nidhi, mutual benefit fund or society the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14 As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 15 The Company has given certain guarantees on behalf of its subsidiary as mentioned in note 3 (a) of Schedule 'O' of the accounts. In our opinion based on the information and explanations received, the terms and conditions of these guarantees are not prejudicial to the interest of the company.
- 16 The term loans obtained during the year are applied for the purpose for which it was obtained.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have not been used for long term investment.
- 18 During the year, the Company has not made any preferential allotment of shares to company, firms or parties covered in the register maintained under section 301 of the Act.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised any money by way of public issue during the year.
- 21 As per the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For Shah & Co.**  
Chartered Accountants  
FRN: 109430W

Mumbai  
28<sup>th</sup> May, 2011

**A. H. SHAH**  
Partner  
M. No. 103750

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2010 (₹ in Lacs)
<b><u>FUNDS EMPLOYED</u></b>			
<i>SHAREHOLDERS' FUNDS</i>			
Share Capital	A	1,317.57	1,317.57
Reserves & Surplus	B	5,576.27	4,635.96
		<b>6,893.84</b>	5,953.53
<i>LOANS</i>			
Secured Loans	C	5,088.38	3,363.04
Unsecured Loans		1,130.00	683.67
		<b>6,218.38</b>	4,046.71
<i>DEFERRED TAX LIABILITY</i> (Refer Note No. 16 in Schedule 'O')		<b>256.15</b>	203.40
<b>TOTAL</b>		<b>13,368.37</b>	10,203.64

**APPLICATION OF FUNDS**

<i>FIXED ASSETS</i>			
Gross Block	D	8,918.09	6,119.16
Less : Depreciation/Amortisation		3,338.56	2,880.99
Net Block		5,579.53	3,238.17
Capital Work in Progress		265.78	1,405.57
		<b>5,845.31</b>	4,643.74
<i>INVESTMENTS</i>			
	E	<b>3,408.89</b>	2,805.54
<i>CURRENTS ASSETS, LOANS AND ADVANCES</i>			
Inventories	F	2,087.25	1,280.76
Sundry debtors		2,696.86	1,877.58
Cash and Bank Balances		234.68	325.05
Loans and Advances		569.05	544.03
		<b>5,587.84</b>	4,027.42
<i>Less : CURRENT LIABILITIES AND PROVISIONS</i>			
Current Liabilities	G	1,168.35	995.90
Provisions		305.32	277.16
		<b>1,473.67</b>	1,273.06
Net Current Assets		<b>4,114.17</b>	2,754.36
<b>TOTAL</b>		<b>13,368.37</b>	10,203.64

Significant Accounting Policies  
Notes to Accounts

N  
O

As per our Report of even date

On behalf of the Board of Directors

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**Ashwin S. Dani**  
Chairman

**A. H. Shah**  
Partner  
M. No. 103750

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

**Ashok K. Goyal**  
Managing Director

Mumbai  
28<sup>th</sup> May, 2011

Mumbai  
28<sup>th</sup> May, 2011

Jaipur  
28<sup>th</sup> May, 2011

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	Schedule	Year 2010-11 (₹ in Lacs)	Year 2009-10 (₹ in Lacs)
<b><u>INCOME</u></b>			
Sales :			
Domestic (Net of Returns)		<b>22,593.23</b>	17,349.52
Export		-	-
Gross Sales		<b>22,593.23</b>	17,349.52
Less : Excise Duty Paid		<b>2,200.74</b>	1,469.93
Sales (Net of Excise Duty)		<b>20,392.49</b>	15,879.59
Other Income	H	<b>112.81</b>	135.61
		<b>20,505.30</b>	16,015.20
<b><u>EXPENDITURE</u></b>			
Material Cost	I	<b>12,755.74</b>	9,460.18
Manufacturing Expenses	J	<b>2,295.63</b>	1,750.88
Employee Cost	K	<b>1,113.98</b>	866.05
Administrative and Selling Expenses	L	<b>1,239.96</b>	1,081.87
		<b>17,405.31</b>	13,158.98
GROSS PROFIT BEFORE INTEREST , DEPRECIATION & TAX		<b>3,099.99</b>	2,856.22
Less: Interest	M	<b>909.90</b>	504.12
PROFIT BEFORE DEPRECIATION AND TAX		<b>2,190.09</b>	2,352.10
Less: Depreciation/ Amortisation		<b>573.02</b>	345.94
PROFIT BEFORE TAX		<b>1,617.07</b>	2,006.16
Less: Provision for Taxation :			
Current Tax		<b>379.00</b>	600.00
Deferred Tax (Refer Note no. 16 in Schedule 'O' )		<b>52.75</b>	31.35
NET PROFIT		<b>1,185.32</b>	1,374.81
Add : Balance brought forward from previous year		<b>3,438.30</b>	2,362.69
AMOUNT AVAILABLE FOR APPROPRIATION		<b>4,623.62</b>	3,737.50
<b>APPROPRIATIONS</b>			
Proposed Dividend on Equity Shares		<b>210.81</b>	197.64
Tax on Proposed Dividend		<b>34.20</b>	32.82
Transfer to General Reserve		<b>88.90</b>	68.74
Balance carried to Balance Sheet		<b>4,289.71</b>	3,438.30
Earning Per Share (₹) Basic and Diluted [Refer Note No.19 in Schedule 'O']		<b>9.00</b>	10.43
Significant Accounting Policies	N		
Notes to Accounts	O		

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
28<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

Mumbai  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

Jaipur  
28<sup>th</sup> May, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011  
(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

	<b>Year 2010-11 ( ₹ in Lacs)</b>	<b>Year 2009-10 ( ₹ in Lacs)</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax and Extra -ordinary Item	<b>1,617.07</b>	2,006.16
<b>Adjustments for :</b>		
Depreciation/Amortisation	<b>573.02</b>	345.94
Loss/(Profit) on Sale of Fixed Assets	<b>(0.23)</b>	(0.50)
Interest Expense	<b>909.90</b>	504.11
Interest Income	<b>(37.95)</b>	(67.09)
Goodwill Written Off	<b>11.57</b>	-
<b>Operating Profit before working capital changes</b>	<b>3,073.38</b>	2,788.62
<b>Adjustments for:</b>		
Trade Receivables	<b>(819.28)</b>	(326.32)
Other Receivables	<b>42.79</b>	375.74
Inventories	<b>(806.49)</b>	(373.22)
Trade Payables	<b>172.68</b>	247.89
<b>Cash Generated from Operations</b>	<b>1,663.08</b>	2,712.71
Income Tax paid	<b>(447.95)</b>	(638.01)
<b>Net Cash Flow from Operations</b>	<b>1,215.13</b>	2,074.70
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(1,814.22)</b>	(2,660.37)
Sale of Fixed Assets	<b>28.28</b>	5.42
Interest Received	<b>39.08</b>	63.31
Purchase of Investments (Equity Shares of Subsidiary Company)	<b>(603.34)</b>	(893.84)
<b>Net Cash used in Investing Activities</b>	<b>(2,350.20)</b>	(3,485.48)
<b>C CASH FLOW FROM FINANCING ACVTIVITIES</b>		
Proceeds from Long Term Borrowings	<b>66.33</b>	1,675.58
Repayment of Long Term Borrowings	<b>(116.92)</b>	-
Proceeds from/ (Repayment of) Cash Credit	<b>549.79</b>	572.08
Proceeds from Short Term Borrowings	<b>1,692.48</b>	20.00
Repayment of Short Term Borrowings	<b>(20.00)</b>	(80.21)
Dividend & Tax on Dividend	<b>(227.92)</b>	(169.28)
Interest Paid	<b>(899.06)</b>	(525.75)
<b>Net Cash used in Financing Activities</b>	<b>1,044.70</b>	1,492.42
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>(90.37)</b>	81.64
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>325.05</b>	243.41
<b>Cash and Cash Equivalents at the end of the year</b>	<b>234.68</b>	325.05

Note: Cash and Cash Equivalents at the end of period include Bank Guarantee Deposits with Banks of ₹ 50.65 Lacs (previous year ₹ 28.30 Lacs )

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
28<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

Mumbai  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

Jaipur  
28<sup>th</sup> May, 2011



**SCHEDULES FORMING PART OF THE ACCOUNTS****SCHEDULE "A": SHARE CAPITAL****AUTHORISED:**

20,000,000 Equity Shares of ₹ 10/- each (Previous Year 20,000,000)

As At 31.03.2011 (₹ in Lacs)	As At 31.03.2010 (₹ in Lacs)
------------------------------------	------------------------------------

2,000.00	2,000.00
----------	----------

2,000.00	2,000.00
----------	----------

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

13,175,700 Equity Shares of ₹ 10/- each fully paid (Previous Year 13,175,700)  
 [ Include 2,896,995 Equity Shares of ₹ 10/- each issued as fully paid, pursuant to the Scheme of Amalgamation of Plastic & Precision Machinefabrik Limited, without payment received in cash.] [Out of the above, 8,029,295 Equity Shares of ₹ 10/-each are held by parent company viz. Geetanjali Trading and Investments Private Limited ]

1,317.57	1,317.57
----------	----------

1,317.57	1,317.57
----------	----------

**SCHEDULE "B" : RESERVES & SURPLUS**

Capital Subsidy

25.00	25.00
-------	-------

Capital Redemption Reserve

251.00	251.00
--------	--------

Share Premium

737.21	737.21
--------	--------

General Reserve

As per last Balance Sheet

184.45	115.71
--------	--------

Add: Transfer from Profit &amp; Loss Account

88.90	68.74
-------	-------

273.35	184.45
--------	--------

Profit and Loss Account

4,289.71	3,438.30
----------	----------

5,576.27	4,635.96
----------	----------

**SCHEDULE "C" : SECURED AND UNSECURED LOANS****SECURED LOANS:**Long Term :

Term Loans from Banks (Note No. 1)

(Payable within One year ₹ 578.42 Lacs, Previous year ₹ 499.92 Lacs)

1,807.28	1,924.20
----------	----------

Short Term:

Loans from Banks (Note No.2)

1692.48	400.00
---------	--------

Cash Credit Accounts (Note No.2)

1588.62	1,038.84
---------	----------

3,281.10	1,438.84
----------	----------

5,088.38	3,363.04
----------	----------

**UNSECURED LOANS:**Long Term :Fixed Deposits

a) Directors

b) Others

(Payable within One year ₹ 292.66 lacs, Previous year ₹ 143 Lacs)

-	-
---	---

730.00	663.67
--------	--------

730.00	663.67
--------	--------

Short Term :

a) Loans from Banks

400.00	-
--------	---

b) Inter Corporate Deposits

-	20.00
---	-------

(Payable within 1 year ₹ Nil , Previous year ₹ 20 Lacs)

1,130.00	683.67
----------	--------

6,218.38	4,046.71
----------	----------

## Notes No.1

### 1) Term Loans from Banks

a) Standard Chartered Bank (Specific charge on Plant & Machinery at Rohtak, Haryana Pari Pasu charge on Factory Land & Building at Rohtak.)

(Payable within one year ₹ 312.50 lacs , Previous year ₹ Nil )

b) Haryana State Industrial & Infrastructure Development Corporation (Half yearly Installments given by Haryana State Industrial & Infrastructure Development Corporation)

(Payable within one year ₹ Nil , Previous year ₹234.00 Lacs)

c) State Bank of India-Windmill

(Primary hypothecation of the asset purchased out of Bank finance at Velarasi, Tripur, Tamilnadu Site of wind mill Project) (Collateral Extension of EM of factory land & Building located at Gut No. 939 & 940 Nagar Road village Sanaswadi, taluka shirur, District Pune - 412208 & extension of charge on current assets.)

(Payable within one year ₹ 66 lacs , Previous year ₹ 66 Lacs)

d) State Bank of India-

(Primary hypothecation of the assets purchased out of Bank finance) (Collateral Extension of Equitable Mortgage of factory land & Building located at Gut No.939,940 Nagar Road village Sanaswadi, taluka shirur, District Pune-412208 & extension of charge on current assets.)

(Payable within one year ₹ 199.92 lacs , Previous year ₹ 199.92 Lacs)

**As At  
31.03.2011**  
(₹ in Lacs)

**As At  
31.03.2010**  
(₹ in Lacs)

**1,500.00** 1,000.00

— 351.00

**67.12** 133.12

**240.16** 440.08

## Notes No.2

Short Term Loans from the Banks and Cash Credit Accounts are secured by hypothecation of inventories, book debts and other current assets.

### Schedule "D" : FIXED ASSETS

(₹ in Lacs)

Particulars	Gross Block			As at 31.03.2011	DEPRECIATION			As at 31.03.2011	NET BLOCK	
	As at 01.04.2010	Additions during the Year	Deductions and /or adjustments		As at 01.04.2010	Additions / Amortization during the Year	Deductions and /or adjustments		As at 31.03.2011	As at 31.03.2010
<b>Tangible Assets :</b>										
Freehold Land	1,044.10	106.86	-	<b>1,150.96</b>	-	-	-	-	<b>1,150.96</b>	1,044.10
Leasehold Land	14.50	-	-	<b>14.50</b>	0.74	0.15	-	<b>0.89</b>	<b>13.61</b>	13.76
Buildings	643.82	885.06	-	<b>1,528.88</b>	324.95	105.21	-	<b>430.16</b>	<b>1,098.72</b>	318.87
Moulds	542.61	110.62	6.82	<b>646.41</b>	465.73	56.12	4.53	<b>517.32</b>	<b>129.09</b>	76.88
Plant & Machinery	3,343.72	1,684.51	116.47	<b>4,911.76</b>	1,798.98	342.81	91.23	<b>2,050.56</b>	<b>2,861.20</b>	1,544.74
Furniture	94.09	46.98	-	<b>141.07</b>	56.05	7.19	-	<b>63.24</b>	<b>77.83</b>	38.04
Leasehold Improvements	26.68	38.22	-	<b>64.90</b>	3.21	6.53	-	<b>9.74</b>	<b>55.16</b>	23.47
Computers	74.94	34.73	0.41	<b>109.26</b>	53.99	8.35	-	<b>62.34</b>	<b>46.92</b>	20.95
Office Equipment	84.47	26.24	-	<b>110.71</b>	42.79	6.63	-	<b>49.42</b>	<b>61.29</b>	41.68
Vehicles	135.60	2.14	2.45	<b>135.29</b>	71.90	16.46	2.33	<b>86.03</b>	<b>49.26</b>	63.70
<b>Intangible Assets :</b>										
Software	85.70	18.65	-	<b>104.35</b>	45.29	23.57	-	<b>68.86</b>	<b>35.49</b>	40.41
Goodwill	28.93	-	28.93	-	17.36	-	17.36	-	-	11.57
<b>TOTAL</b>	<b>6,119.16</b>	<b>2,954.01</b>	<b>155.08</b>	<b>8,918.09</b>	<b>2,880.99</b>	<b>573.02</b>	<b>115.45</b>	<b>3,338.56</b>	<b>5,579.53</b>	<b>3,238.17</b>
		-		-					-	
Previous Year	4,854.41	1,281.43	16.68	6,119.16	2,546.82	345.94	11.77	2,880.99	3,238.17	

**SCHEDULES FORMING PART OF THE ACCOUNTS : (Continued)****SCHEDULE "E": INVESTMENTS****Long Term Investments****Unquoted (at cost)****Subsidiary Company**

26,83,020 (P.Y. 21,13,305) Equity Shares of Rs.10/- each in Clear  
Mipak Packaging Solutions Limited

Total Long Term Unquoted Investment

**As At**  
**31.03.2011**  
(₹ in Lacs)

**As At**  
31.03.2010  
(₹ in Lacs)

**3,408.89** 2,805.54

**3,408.89** 2,805.54

**SCHEDULE "F": CURRENT ASSETS, LOANS AND ADVANCES****CURRENT ASSETS****i. Inventories:**

(as taken, valued and certified by Management)

a. Packing Materials	<b>40.64</b>	30.49
b. Raw Materials (includes Stock-in-Transit ₹ 15.92 lacs, PY. ₹ 1.18 Lacs)	<b>981.13</b>	697.55
c. Finished Goods	<b>445.29</b>	125.92
d. Work-in-Progress	<b>614.63</b>	423.35
e. Consumables Stores & Spares	<b>5.56</b>	3.45

**2,087.25** 1,280.76

**ii. Sundry Debtors (Unsecured)**

a. Outstanding for more than six months considered good	<b>100.20</b>	59.98
considered doubtful	<b>35.73</b>	33.64
	<b>135.93</b>	93.62
b. Other Debts		
considered good	<b>2,596.66</b>	1,817.60
considered doubtful	<b>-</b>	-

**2,596.66** 1,817.60

**2,732.59** 1,911.22

**35.73** 33.64

**2,696.86** 1,877.58

Less : Provision for doubtful debts

**iii. Cash and Bank Balances**

a. Cash on hand	<b>3.62</b>	3.86
b. With Scheduled Banks		
(i) Current Accounts	<b>135.01</b>	250.49
(ii) Term Deposits	<b>96.05</b>	70.70
(Bank Guarantee - ₹ 50.65 lacs; P.Y. ₹ 28.30 lacs)		

**234.68** 325.05

**LOANS AND ADVANCES**

(Unsecured, considered good)

a. Balances with Customs, Central Excise etc.	<b>210.94</b>	141.85
b. Sundry deposits	<b>141.53</b>	101.29
c. Advances recoverable in cash or kind	<b>100.16</b>	252.92
d. Loans to Staff	<b>-</b>	0.50
e. Advance Payments of Taxes		
(Net of provision for Tax of ₹ 1,785.50 lacs, P.Y ₹ 1404.16 lacs)	<b>116.42</b>	47.47

**569.05** 544.03

**5,587.84** 4,027.42



**SCHEDULES FORMING PART OF THE ACCOUNTS : (Continued)**
**SCHEDULE "G": CURRENT LIABILITIES AND PROVISIONS**
**CURRENT LIABILITIES:**

(i) Sundry Creditors

Dues to Micro &amp; Small Enterprises [Refer Note No. 14 in Schedule 'O']

Others

(ii) Other Liabilities

(a) Employees ( Including ₹ 11.33 Lacs due to Managing Director

Previous year ₹ 14.00 Lacs due to Managing Director)

(b) Others ( Including ₹ 7.10 Lacs due to Non-Executive Directors

Previous year ₹ 6.30 Lacs due to Non-Executive Directors )

(iii) Investor Education &amp; Protection Fund \*

Unpaid / Unclaimed dividend

**PROVISIONS :**

(i) Proposed dividend

(ii) Provision for Tax on Proposed Dividend

(iii) Defined benefit obligations (Refer Note No. 18 in Schedule 'O')

(iv) Provision for accrued leave

As At  
**31.03.2011** As At  
31.03.2010  
(₹ in Lacs) (₹ in Lacs)

<b>94.83</b>		110.82
<b>549.68</b>		549.99
	<b>644.51</b>	660.81
<b>132.69</b>		111.03
<b>382.98</b>	<b>515.67</b>	218.44
	<b>8.17</b>	5.62
	<b>1,168.35</b>	995.90
<b>210.81</b>		197.64
<b>34.20</b>		32.82
-		1.02
<b>60.31</b>	<b>305.32</b>	45.68
	<b>1,473.67</b>	1,273.06

\* There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March, 2011. These amounts shall be paid to the fund as and when they become due.

**SCHEDULES FORMING PART OF THE ACCOUNTS : (Continued)**
**SCHEDULES TO PROFIT AND LOSS ACCOUNT**
**SCHEDULE "H" : OTHER INCOME**

Interest

(TDS ₹ 3.46 Lacs, Previous Year ₹ 7.73 Lacs )

Sale of Scrap

Income from Wind Power Generator

Exchange Difference (Net)

Profit on sale of Fixed Assets (Net)

Sundry balances (Net) written back

Miscellaneous Income

Year  
**2010-11** Year  
2009-10  
(₹ in Lacs) (₹ in Lacs)

<b>37.95</b>		67.09
<b>9.87</b>		9.94
<b>42.36</b>		51.91
<b>2.07</b>		1.93
<b>0.23</b>		0.50
<b>15.83</b>		-
<b>4.50</b>		4.24
<b>112.81</b>		135.61

**SCHEDULE "I" : MATERIAL COST**
**Raw Materials Consumed**

Opening Stock

Add : Purchases

Less : Closing Stock

**Packing Materials Consumed**

Opening Stock

Add : Purchases

Less : Closing Stock

**(Increase) in finished goods and work-in-process:**

Opening Stock

Closing Stock

Increase in Excise Duty on Finished Goods

<b>696.37</b>		418.98
<b>12,989.47</b>		9,429.44
<b>13,685.84</b>		9,848.42
<b>965.21</b>		696.37
	<b>12,720.63</b>	9,152.05
<b>30.49</b>		21.24
<b>526.08</b>		409.72
<b>556.57</b>		430.96
<b>40.64</b>		30.49
	<b>515.93</b>	400.47
	<b>13,236.56</b>	9,552.52
<b>549.27</b>		455.95
<b>1,059.91</b>		549.27
	<b>(510.64)</b>	(93.32)
	<b>29.82</b>	0.98
	<b>(480.82)</b>	(92.34)
	<b>12,755.74</b>	9,460.18



**SCHEDULES FORMING PART OF THE ACCOUNTS : (Continued)**

	Year <b>2010-11</b> (₹ in Lacs)	Year <b>2009-10</b> (₹ in Lacs)
<b><u>SCHEDULE "J" : MANUFACTURING EXPENSES</u></b>		
Processing Charges	<b>770.68</b>	744.98
Water, Power and Fuel	<b>782.45</b>	559.34
Material Handling Charges	<b>469.43</b>	242.54
Stores & Spares Consumed	<b>102.19</b>	66.19
Repairs & Maintenance -		
- to Building	<b>20.75</b>	13.03
- to Plant and Machinery	<b>109.45</b>	95.86
- Other Assets	<b>40.68</b>	28.94
	<b>170.88</b>	137.83
	<b>2,295.63</b>	1,750.88

**SCHEDULE "K" : EMPLOYEE COST**

Salaries, Wages, allowances and other benefits	<b>923.15</b>	735.58
Staff Welfare Expenses	<b>111.31</b>	68.83
Contribution to Provident Fund	<b>56.12</b>	42.67
Defined Benfit Plan(Gratuity) (Refer Note No.18 in Schedule 'O')	<b>23.40</b>	18.97
	<b>1,113.98</b>	866.05

**SCHEDULE "L" : ADMINISTRATIVE AND SELLING EXPENSES**

Freight and Handling Charges	<b>503.35</b>	447.94
Rent	<b>186.56</b>	140.78
Rates and Taxes	<b>13.25</b>	8.57
Insurance	<b>6.10</b>	5.32
Security Charges	<b>54.94</b>	37.19
Printing and Stationery	<b>19.61</b>	13.91
Postage and Telephone	<b>39.00</b>	30.59
Travelling and Conveyance Expenses	<b>90.53</b>	61.80
Miscellaneous Expenses	<b>290.36</b>	290.97
Directors' Sitting Fees	<b>3.79</b>	2.90
Auditors' Remuneration	<b>23.29</b>	18.55
Commission to Non Executive Directors	<b>7.10</b>	6.30
Provision for Doubtful Debts	<b>2.08</b>	12.70
Bad Debts written off	<b>-</b>	4.35
	<b>1,239.96</b>	1,081.87

**SCHEDULE "M" : INTEREST**

Term Loans	<b>333.85</b>	93.85
Cash Credit	<b>126.02</b>	100.80
Bill Discounted and Fixed Deposits	<b>382.10</b>	282.74
Bank Charges	<b>67.93</b>	26.73
	<b>909.90</b>	504.12

**SCHEDULE "N"****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN THE COMPILATION OF THE ACCOUNTS:****1. Basis for preparation of financial statements:****(a) Basis of Accounting:**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

**(b) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

**2. Fixed Assets:**

- (a) Fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Interest on borrowed funds directly attributable to the qualifying assets up to the period such assets are put to use, is included in the cost.

- (b) Depreciation on all fixed assets is provided under Straight Line Method. The rates of depreciation prescribed in schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on following assets has been provided at rates which are higher than the corresponding rates prescribed in Schedule XIV.

Moulds	: 4 years
Furniture & Fixture	: 10 years
Computer	: 5 years
Office Equipment	: 10 years
Vehicle	: 5 years

Depreciation on Plant and Machinery is provided under Straight Line Method on triple shift basis; and on Building is provided under the Written Down Value Method, at the rates laid down in the Schedule XIV to the Companies Act, 1956.

Assets costing less than ₹ 5,000 are fully charged to the Profit and Loss Account in the year of acquisition. Leasehold land and leasehold improvements are amortised over the primary period of lease. Goodwill on amalgamation is amortised over a period of five years.

Purchase cost, user licence fees and consultancy fees for major software are amortised over a period of three years.

- (c) At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exist the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized in the Profit and Loss Account.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

**3. Revenue Recognition:**

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and are net of returns. Sales are stated gross of excise duties as well as net of excise duties; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of 'material cost'.

Revenue from service is recognised on rendering of services to customers.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

**4. Lease Accounting:**

Assets taken on operating lease:

Lease rentals on assets taken on operating lease are recognized as expense in the Profit and Loss Account on an accrual basis over the lease term.

**5. Inventory:**

- a) Raw materials, work in progress, finished goods, packing materials, stores, spares and consumables are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably depreciated.
- b) In determining cost of raw material, packing material, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- c) Cost of finished goods and work-in-process includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

**6. Investments:**

Long term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Profit and loss on sale of Investments is determined on a first-in-first-out (FIFO) basis.

**7. Transactions in Foreign Currency:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss Account of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange difference are recognised in the Profit and Loss Account.

The premium or discount on forward exchange contracts is recognized over the period of the contracts in the Profit and Loss Account.

**8. Sundry Debtors:**

Sundry debtors are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

**9. Employee Benefits:****(i) Short Term Employee Benefits :**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**(ii) Post-employment benefits :****(a) Defined contribution plans**

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the Profit and Loss Account in the financial year to which they relate.

The Company contributes to the Government administered provident funds on behalf of its employee.

**(b) Defined benefit plans**

Defined benefit gratuity plan.

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

**(iii) Other long term employee benefits :**

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

**10. Research and Development:**

- a) Capital expenditure is shown separately under respective heads of fixed assets.
- b) Revenue expenses including depreciation are charged to Profit and Loss Account under the respective heads of expenses.

**11. Provision for Taxation:**

Tax expenses comprise of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred Tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date to reassess realisation.

**12. Provisions and Contingencies:**

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

**13. Earnings Per Share:**

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**14. Proposed Dividend:**

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting.



**SCHEDULE "O":****NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:**

	<b>2010-2011</b> <b>(₹ in Lacs)</b>	<b>2009-2010</b> <b>(₹ in Lacs)</b>
<b>1.</b> Estimated amount of contracts remaining to be executed on capital account and not provided for.	<b>134.97</b>	344.56
<b>2.</b> Letter of Credit and Bank guarantees issued by bankers and Outstanding as on 31 <sup>st</sup> March, 2011.	<b>50.65</b>	28.30
<b>3. Contingent liabilities:</b>		
(a) Corporate guarantees issued by the Company to certain banks on behalf of its subsidiary.	<b>4,803.00</b>	1,260.00
(b) Bills Discounted (Since realized ₹ 2,260.77 Lacs, Previous Year ₹ 2,701.33 Lacs)	<b>3,694.21</b>	2,714.70
(c) Claim against the company not acknowledged as debts Tax matters in dispute under appeal	<b>66.02</b>	Nil
(d) Call money	<b>Nil</b>	603.34
<b>4. Auditors' Remuneration:</b>		
(a) Statutory Audit Fees	<b>13.00</b>	10.80
(b) Tax Audit Fees	<b>2.00</b>	1.50
(c) Certification fees and Other Services	<b>7.57</b>	5.85
(d) Out of Pocket Expenses	<b>0.72</b>	0.40
<b>5. (a) Computation of the Profit for year ended 31<sup>st</sup> March, 2011 under Section 349 of the Companies Act, 1956.</b>		
Net Profit as per Profit & Loss Account	<b>1,185.32</b>	1,374.81
Add:		
Provision for Taxation	<b>379.00</b>	600.00
Provision for Deferred tax	<b>52.75</b>	31.35
Provision for Doubtful Debt	<b>2.08</b>	12.70
(Profit)/Loss on sale of assets	<b>(0.23)</b>	(0.50)
Profit under Section 349 of the Companies Act, 1956	<b>1,618.92</b>	2,018.36
Add:-Managerial remuneration/Sitting fees	<b>97.08</b>	62.88
Profit under Section 198 of the Companies Act, 1956	<b>1,716.00</b>	2,081.24
Commission to non-executive directors:		
Subject to ceiling of 1% of profit as computed above	<b>17.16</b>	20.81
Restricted to sum as determined by the Board of Directors	<b>7.10</b>	6.30
Remuneration to Managing Director		
Subject to a ceiling of 5% of profit as computed above	<b>85.80</b>	104.06
Total Remuneration actually paid	<b>80.52</b>	52.46
<b>(b) Details of managerial remuneration under Section 198 of the Companies Act, 1956</b>		
<b>Managing Director:</b>		
Salaries & allowances	<b>60.00</b>	30.00
Commission	<b>11.33</b>	14.00
Contribution to PF	<b>3.78</b>	3.60
Other perquisites and Benefits	<b>5.41</b>	4.86
<b>Sub Total</b>	<b>80.52</b>	52.46
Sitting fees to Non - Executive Directors	<b>3.79</b>	2.90
Commission to Non - Executive Directors	<b>7.10</b>	6.30
<b>Sub Total</b>	<b>10.89</b>	9.20
<b>Advisor:</b>		
Remuneration/Reimbursement of Expenses (for which opinion of the Central Government u/s 309 was obtained)	<b>5.67</b>	1.22
<b>Sub Total</b>	<b>5.67</b>	1.22
<b>Grand Total</b>	<b>97.08</b>	<b>62.88</b>

The above remuneration does not include contribution to gratuity fund and leave encashment/entitlement as this contribution is a lump sum amount based on actuarial valuation.

The Company depreciates certain fixed assets at higher rates of depreciation based on estimated useful lives which are lower or equal to the implicit estimated useful lives prescribed by Schedule XIV of the Companies Act, 1956. The above higher value of depreciation has been considered as deduction for the computation of managerial remuneration in (a) above.

## 6. Production:

Items	Unit	Location	Installed Capacity <sup>(1)</sup>		Production	
			As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010	2010-2011	2009-2010
Containers	MT	In-House <sup>(2)</sup>	15,875	11,875	13,524	10,818
		Contract			1,906	2,004

1. Installed capacities are as certified by the management on which auditors have relied.
2. All manufacturing units.

## 7. Stock and Turnover:

(₹ in Lacs)

Items	Unit	Opening Stock		Closing Stock		Turnover	
		Qty.	Value	Qty.	Value	Qty.	Value
Containers	MT	110	125.92	335	445.29	15,069	20,392.49
		(146)	(141.56)	(110)	(125.92)	(12,801)	(15,879.59)

- i) Pursuant to notification no S.O.301 (E) dated 8<sup>th</sup> February, 2011 issued by the Ministry of Company Affairs, disclosure of stock and turnover is provided for items which are greater than 10% of the total value of turnover. Figures in brackets are for the previous year.

## 8. Raw Material consumed:

(₹ in Lacs)

		2010-2011		2009 -2010	
	Unit	Qty.	Value	Qty	Value
Polymers	MT	15,457	11,653.80	13,165	8,367.71
Others			1,066.83		784.34
<b>Total</b>		<b>15,457</b>	<b>12,720.63</b>	13,165	9,152.05

## 9. CIF Value of direct imports:

(₹ in Lacs)

	2010-2011	2009-2010
a. Raw Material	3,265.09	1,882.77
b. Capital Goods	0.11	4.83
c. Others	15.71	18.67

## 10. Value of imported and indigenous raw materials and spares consumed and percentage of each to total consumption :

	2010-2011		2009-2010	
	(₹ in Lacs)	% to Total	(₹ in Lacs)	% to Total
<b>a. Raw materials :</b>				
Direct Imports	3,265.09	25.67	1,882.77	20.57
Others (including value of consumption of imported raw materials purchased through indigenous sources )	9455.54	74.33	7,269.28	79.43
<b>Total</b>	<b>12,720.63</b>	<b>100.00</b>	9,152.05	100.00
<b>b. Stores and Spares :</b>				
Direct Imports	15.71	15.37	12.76	19.28
Others	86.48	84.63	53.43	80.72
<b>Total</b>	<b>102.19</b>	<b>100.00</b>	66.19	100.00



**11. Net Dividend remitted in foreign currency:**

	2010-11			2009-10		
	Number of non-resident shareholders	Number of equity shares held	Dividend Remitted (₹ in Lacs)	Number of non-resident Shareholders	Number of equity shares held	Dividend Remitted (₹ in Lacs)
Final Dividend 2008-09				15	3,28,500	3.61
Final Dividend 2009-10	<b>14</b>	<b>318,500</b>	<b>4.78</b>			

**12. Expenditure in foreign currency:**

(₹ in Lacs)

	<b>2010-2011</b>	2009-2010
Travelling Expenses	<b>0.65</b>	Nil

**13. Earnings in foreign currency:**

(₹ in Lacs)

	<b>2010-2011</b>	2009-2010
Export at FOB value	<b>Nil</b>	Nil
Other Receipts	<b>Nil</b>	Nil

14. There are no Micro and small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Disclosures under the Micro and small Enterprises Development Act, 2006 are provided as under for the year 2010-11, to the extent the company has received intimations from the suppliers regarding their status under Act as on 31<sup>st</sup> March, 2011.

(₹ in Lacs)

Sr. No.		<b>2010-11</b>	2009-10
a)	Principal amount and separately the interest due thereon remaining unpaid to any supplier at the end of the financial year.	<b>Nil</b>	Nil
b)	The amount of interest paid u/s 16 of this Act, along with the amounts of payments made to the supplier beyond the appointed day during each accounting year.	<b>Nil</b>	Nil
c)	The amount of interest due and payable for the period of delay in making payment which have been paid but, beyond the appointed day during the year.	<b>Nil</b>	Nil
d)	The amount accrued and remaining unpaid at the end of each accounting period; i.e., principal is paid but interest has remained unpaid.	<b>Nil</b>	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure.	<b>Nil</b>	Nil

15. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31st March, 2011 are as under:

FY 2010 -11				FY 2009 -10			
Currency	Number of Contracts	Buyers Credit Amount	INR (₹ in Lacs)	Currency	Number of Contracts	Amount	INR (₹ in Lacs)
USD	12	12,49,050	581.41	USD	Nil	Nil	Nil

The foreign currency exposure not hedged as at 31st March, 2011 are as under:

FY 2010 -11			FY 2009 -10		
Currency	Amount	INR (₹ in Lacs)	Currency	Amount	INR (₹ in Lacs)
GBP	2,167	1.61	GBP	Nil	Nil
USD	2,43,540	111.07	USD	Nil	Nil

16. The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS-22) – Accounting for Taxes on income.

The major components of deferred tax (liabilities)/ assets arising on account of timing difference as at 31st March, 2011 are as follows:

	As at 31.03.2011	As at 31.03.2010
<b>Deferred tax liabilities</b>		
Difference between the Written down value / Capital work in progress of assets as per the books of account and Income Tax Act, 1961	(295.56)	(238.26)
<b>Total deferred tax liabilities</b>	<b>(295.56)</b>	<b>(238.26)</b>
<b>Deferred tax assets</b>		
Expenses allowed for tax purpose on payment basis	27.81	23.42
Provision for doubtful debts	11.60	11.44
<b>Total Deferred Tax Assets</b>	<b>39.41</b>	<b>34.86</b>
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(256.15)</b>	<b>(203.40)</b>
<b>Deferred Tax Benefit / (Expense) for the year</b>	<b>(52.75)</b>	<b>(31.35)</b>

17. Pursuant to Accounting Standard (AS-19) Lease, the following information is given:

- The Company has taken certain assets such as cars on an operating lease basis, the lease rentals are payable by the company on a monthly basis.
- Future minimum lease rentals payable as at 31st March, 2011 as per the lease agreements:

		31.03.2011	31.03.2010
I)	Not later than one year	25.05	20.10
II)	Later than one year but not more than five years	42.16	19.96
III)	Later than five years	-	-
	<b>Total</b>	<b>67.21</b>	<b>40.06</b>

- Lease payments recognised in the Profit and Loss account for the period are ₹ 29.58 Lacs (previous year ₹ 26.17 Lacs).

#### 18. Employee Benefits:

- Short term employee benefits:  
The liability towards short term employee benefits for the year ended 31st March, 2011 has been recognised in the Profit and Loss Account.

## (2) Post employee benefits:

The following disclosures are made in accordance with AS-15 (Revised) pertaining to Defined benefit Plans:

Particulars	(₹ in Lacs)	
	Gratuity (Funded Plan) 2010-2011	Gratuity (Funded Plan) 2009-2010
<b>Amount recognised in Balance Sheet</b>		
Present value of funded obligations	84.54	58.11
Fair Value of Plan Assets	85.14	57.14
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Amount not recognised as an asset, because of the limit in Para 50(b) of AS -15	-	-
<b>Net Liability/(Asset)</b>	<b>(0.60)</b>	0.97
<b>Amounts in Balance Sheet</b>		
Liability	(0.60)	0.97
Assets	-	-
<b>Net Liability/(Asset)</b>	<b>(0.60)</b>	0.97
<b>Amount recognised in the statement of Profit &amp; Loss</b>		
Opening defined benefit obligation less benefit paid		
Current service cost	12.37	8.57
Interest on defined benefit obligation	5.66	3.39
Expected return on plan assets	(6.55)	(4.67)
Net actuarial losses/(gains) recognized in year	4.93	16.90
Past Service Cost	6.50	-
Effect of the limit in Para 59(b) of AS-15 (Revised)	-	-
Losses / (gains) on 'Curtailements and Settlements'	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>22.91</b>	24.19
Actual return on plan assets	3.60	-
<b>Reconciliation of benefit obligations and plan assets for the period</b>		
<b>Change in defined benefit obligation</b>		
<b>Opening defined benefit obligation as at 1st April</b>	<b>58.11</b>	36.45
Current Service Cost	12.37	8.57
Interest Cost	5.66	3.39
Actuarial (Gain)/Loss on obligations	2.51	12.23
Past Service Cost	6.50	-
Liabilities extinguished on curtailment	-	-
Liabilities extinguished on settlement	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits Paid	(0.61)	(2.53)
<b>Closing defined benefit obligation as at 31st March</b>	<b>84.54</b>	58.11
<b>Change in fair value of assets</b>		
<b>Opening fair value of plan assets as at 1st April</b>	<b>57.05</b>	38.64
Expected return on Plan Assets	6.55	4.67
Actuarial Gain/(Loss)	(2.86)	(4.67)
Assets distributed on settlements	-	-
Contributions by employer	25.01	20.94
Assets acquired due to acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits Paid	(0.61)	(2.53)
<b>Closing Fair Value of Plan Assets as at 31<sup>st</sup> March</b>	<b>85.14</b>	57.05
<b>Investment Details (Assets information) :</b>		
Government of India Securities	Nil	13.88%
Public Sector Unit Bonds	Nil	Nil
State/Central Guaranteed Securities	Nil	Nil
Special Deposit Schemes	Nil	Nil
Equity Shares of Listed Companies	Nil	Nil
Property	Nil	Nil
Insurer Managed Funds	100%	Nil
Others	Nil	86.12%
<b>Assumptions :</b>		
Discounted Rate (per annum)	8.25%	8.00%
Estimated Rate of return on Plan Assets (per annum)	8.00%	8.00%
Rate of Escalation in Salary (per annum)	6.00%	6.00%

Notes:-

- The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- The Company estimates that the amount to be contributed to the Gratuity fund for the financial year 2010-2011 will be ₹ Nil.
- The guidance on implementing AS-15 (Revised) issued by Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India states benefit involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefits plans. Pending the issuance of the guidance note from Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the company is unable to exhibit the related information.

(3) Long Term Employee Benefits:

The liability towards compensated absences (annual leave and sick leave) as at 31st March 2011, based on actuarial valuation carried out using the Projected Accrued Benefit Method amounting to ₹ 17.85 Lacs (Previous year – ₹ 18.65 Lacs ) has been recognised in the Profit & Loss statement.

## 19. Earning Per Share<sup>1</sup>

(₹ in Lacs)

		2010-2011	2009-2010
a)	Basic and diluted earnings per share in rupees (Face value– ₹ 10/- per share)	9.00	10.43
b)	Profit after tax and prior period items as per Profit and Loss Accounts (₹ in Lacs)	1,185.32	1,374.81
c)	Weighted average number of equity shares outstanding	1,31,75,700	1,31,75,700

20. Information on related party transactions as required by Accounting Standard – 18 on Related Party Disclosures for the year ended 31st March, 2011.

- Key manager person who is under the employment of the company is entitled to post employment benefits and other long term employee benefits recognised as per AS-15 (Revised) Employee benefits in the financial statements. As this employee benefits are lumpsum amount provided on the basis of actuarial valuation, the same is not included above.
- Corporate guarantee issued by the Company on behalf of its subsidiary amounting to ₹ 4803.00 Lacs as at 31st March, 2011 (Previous year ₹ 1260.00 Lacs)

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

(₹ in Lacs)

	2010-2011	2009-2010
Sale of Goods		
Asian Paints Ltd	13,979.79	10,825.72
Purchase of Goods	Nil	Nil
Service Provided	Nil	Nil
Service Received	Nil	Nil

- Relationship:
  - Holding Company  
Geetanjali Trading and Investments Pvt Ltd.
  - Fellow Subsidiaries:  
Coatings Specialities (India) Ltd.  
Rangudyan Insurance Broking Services Ltd.
  - Subsidiary of the Company:  
Clear Mipak Packaging Solutions Ltd.
  - Key Management Person:  
Mr. Ashok K. Goyal (Managing Director)
  - Promoter Director:  
Mr. Ashwin S. Dani      Mr. Hasit A. Dani  
Mr. Jalaj A. Dani      Mr. Malav A. Dani  
Mrs. Ina A. Dani
- Companies controlled by Directors/ Relatives of Directors :  
Asian Paints Ltd.  
Gujarat Organics Limited  
Pragati Chemicals Ltd.  
Resins & Plastics Ltd.  
SC Dani Research Foundation Pvt. Ltd.  
Suryakant Paint Accessories Pvt. Ltd.
- Employee Benefit Fund where control exists:  
Hitech Plast Employee's Gratuity Trust



## 2. Related Party Transactions for the Year – 2010-11 and 2009-10:

(₹ in Lacs)

Particulars	Fellow Subsidiary		Subsidiary of the Company		Key Management Personnel		Promoter Directors of the Company		Companies controlled by Directors / Relative of Directors		Employee Benefit Plans where control exists	
	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10	10-11	09-10
Sales to Asian Paints Ltd.									13,979.79	10,825.72		
Sale of Fixed Assets - Clear Mipak Packaging Solutions Ltd.			1.55									
Sale of Raw Material-Clear Mipak Packaging Solutions Ltd.			15.00	2.65								
Interest Received-Clear Mipak Packaging Solutions Ltd.			32.49	61.88								
Purchases of Fixed Assets-Clear Mipak Packaging Solutions Ltd.				0.25								
Purchase of Goods/Services-Clear Mipak Packaging Solutions Ltd.			97.66	131.75								
Purchase of Raw Material-Clear Mipak Packaging Solutions Ltd.			0.68									
Services Received -Coatings Specialities (I) Ltd.	93.00	93.00										
Services Received -Clear Mipak Packaging Solutions Ltd.			5.00	2.88								
Services Provided -Clear Mipak Packaging Solutions Ltd.			0.15									
Interest Paid - Rangudyan Insurance Broking Services Ltd	0.13	0.94										
Commission Paid-Clear Mipak Packaging Solutions Ltd.			6.86	7.18								
Rent Paid-Coatings Specialities (I) Ltd.	26.30	23.15										
Sitting Fees							2.05	1.41				
Commission							3.00	2.50				
Managerial Remuneration					80.52	52.46						
Reimbursement of Expenses to Advisor							5.67	1.22				
Investment in Equity Shares -Clear Mipak Packaging Solutions Ltd.			603.34	893.84								
Inter Corporate Deposits Received -Clear Mipak Packaging Solutions Ltd.			2,783.63	2,593.99								
Inter Corporate Deposits Received -Coatings Specialities (I) Ltd.		40.00										
Inter Corporate Deposits Received- Rangudyan Insurance Broking Services Ltd.		20.00										
Inter Corporate Deposits Paid-Coating Specialities (I) Ltd.		40.00										
Inter Corporate Deposits Paid-Clear Mipak Packaging Solutions Ltd.			2,783.63	2,428.99								
Inter Corporate Deposits Paid- Rangudyan Insurance Broking Services Ltd	20.00											
Inter Corporate Deposits Balance- Rangudyan Insurance Broking Services Ltd		20.00										
Balance Receivable for Goods & services-Asian Paints Ltd.									712.72	372.25		
Balance Payable for Goods & services - Clear Mipak Packaging Solutions Ltd.				32.30								
Contribution during the year										25.01	17.85	
Amount Payable										(0.60)	1.02	

21. The Company had filed for compounding of offences under Section 621A of the Companies Act, 1956 to the Central Government post inspection carried out under Section 209A of the Companies Act, 1956, and compounding fees of ₹ 10,500/- were paid by the Company and ₹ 27,000/- were paid in aggregate by the Managing Director and the Company Secretary, in their personal capacities, for following provisions of the Companies Act, 1956: (a) Section 211 (Part I) read with Schedule IV, (b) Section 211 (Part II) read with Schedule IV, (c) Section 257, (d) Section 301(1) read with 302(2), (e) Section 301(3) and (f) Section 305.

22. As the Company's business activity falls within a single primary business segment viz., "Plastic Containers", the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", as prescribed in the Companies (Accounting Standards) Rules, 2006, is not applicable. The capital employed in the reportable segment was ₹ 13,368.37 lacs as on 31st March, 2011 (₹ 10,203.64 lacs as on 31st March, 2010).

23. Previous year's figures have been regrouped, wherever necessary.

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
28<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

Mumbai  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

Jaipur  
28<sup>th</sup> May, 2011



PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFILE

**I. Registration Details:**

CIN NO. 

L	2	8	9	9	2	M	H	1	9	9	1	P	L	C	1	6	8	2	3	5
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

State Code 

1	1
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

  
Date Month Year

**II. Capital raised during the year (Amount in ₹ thousand):**

Public Issue  

			N	I	L		
--	--	--	---	---	---	--	--

  
Bonus Issue  

			N	I	L		
--	--	--	---	---	---	--	--

  
Share Issue pursuant to Amalgamation  

			N	I	L		
--	--	--	---	---	---	--	--

Right Issue  

			N	I	L		
--	--	--	---	---	---	--	--

  
Private Placement  

			N	I	L		
--	--	--	---	---	---	--	--

  
Cancellation of Shares  

			N	I	L		
--	--	--	---	---	---	--	--

**III. Position of Mobilisation and Deployment of Funds (Amount in ₹ thousand):**

Total Liabilities  

	1	3	3	6	8	3	7
--	---	---	---	---	---	---	---

Total Assets  

	1	3	3	6	8	3	7
--	---	---	---	---	---	---	---

**SOURCES OF FUNDS**

Paid-Up Capital  

		1	3	1	7	5	7
--	--	---	---	---	---	---	---

  
Secured Loans  

		5	0	8	8	3	8
--	--	---	---	---	---	---	---

  
Deferred Tax liability  

			2	5	6	1	5
--	--	--	---	---	---	---	---

Reserves & Surplus  

		5	5	7	6	2	7
--	--	---	---	---	---	---	---

  
Unsecured Loans  

		1	1	3	0	0	0
--	--	---	---	---	---	---	---

**APPLICATION OF FUNDS**

Net Fixed Assets  

		5	8	4	5	3	1
--	--	---	---	---	---	---	---

  
Net Current Assets  

		4	1	1	4	1	7
--	--	---	---	---	---	---	---

  
Accumulated Losses  

			N	I	L		
--	--	--	---	---	---	--	--

Investments  

		3	4	0	8	8	9
--	--	---	---	---	---	---	---

  
Misc. Expenditure  

			N	I	L		
--	--	--	---	---	---	--	--

**IV. Performance of the Company (Amount in ₹ thousand)**

Turnover  

		2	2	5	9	3	2	3
--	--	---	---	---	---	---	---	---

  
+ - Profit (Loss) Before Tax  

✓			1	6	1	7	0	7
---	--	--	---	---	---	---	---	---

  
Earning Per Share in Rs.  

				9	.	0	0
--	--	--	--	---	---	---	---

Total Expenditure  

		2	0	9	7	6	1	6
--	--	---	---	---	---	---	---	---

  
+ - Profit (Loss) after Tax  

✓			1	1	8	5	3	2
---	--	--	---	---	---	---	---	---

  
Dividend Rate %  

				1	6	.	0	0
--	--	--	--	---	---	---	---	---

**V. Generic Names of Principal Products/Services of the Company (as per monetary terms)**

Item Code No (ITC Code)	3	9	2	3	9	0	0	0									
Product Description	P	L	A	S	T	I	C	C	O	N	T	A	I	N	E	R	S

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

Mumbai  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

Jaipur  
28<sup>th</sup> May, 2011

# **CONSOLIDATED FINANCIAL STATEMENTS**

## CONSOLIDATED FINANCIAL STATEMENTS

### FIVE YEAR REVIEW - CONSOLIDATED

(₹ in Lacs except for per share data and ratio)

Results for the Accounting Year	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
<b>REVENUE ACCOUNT</b>					
Gross Sales	37,459.42	28,232.88	24,297.61	20,620.84	17,732.53
Net Sales and Operating Income	34,384.14	26,192.17	21,575.27	17,945.65	15,424.83
Growth Rate (%)	31.28	21.40	20.23	16.34	85.75
Materials Cost	21,606.98	15,690.94	12,987.60	10,682.11	9,239.85
% to Net Sales	62.84	59.91	60.20	59.52	59.90
Overheads	8,246.17	6,558.49	5,428.30	4,647.79	4,012.62
% to Net Sales	23.98	25.04	25.16	25.90	26.01
Operating Profit (PBIDT)	4,751.38	4,161.56	3,391.93	2,978.83	2,464.52
Interest Charges	1,241.45	855.54	1,030.38	800.50	562.95
Depreciation	1,262.53	948.74	887.22	911.50	913.06
Profit Before Tax	2,247.40	2,357.28	1,474.33	1,266.83	988.51
% to Net Sales	6.54	9.00	6.83	7.06	6.41
Profit After Tax	1,612.50	1,573.18	1,081.09	1,055.63	782.54
Prior period adjustment	-	-	-	-	(0.32)
Minority Interest	(170.87)	(79.35)	(62.12)	(103.92)	(47.04)
Profit after prior period and Minority Interest	1,441.63	1,493.83	1,018.97	951.71	735.18
<b>CAPITAL ACCOUNT</b>					
Share Capital	1,317.57	1,317.57	1,317.57	1,317.57	1,317.57
Reserves and Surplus	6,649.43	5,440.88	4,100.64	2,436.35	1,676.56
Deferred Tax Liability/Asset (Net)	561.14	492.34	398.63	88.85	68.22
Loan Funds	9628.57	6,970.35	4,976.58	5,442.42	4,917.14
Minority Interest	2,795.30	2,214.24	1,487.73	1,060.26	482.98
Fixed Assets	11,969.30	9,461.62	6,801.31	5,226.30	3,945.18
Investments	11.00	11.00	11.00	12.50	12.50
Net Current Assets	8,677.76	6,668.81	5,174.89	4,812.70	3,787.80
Debt - Equity Ratio	1.56	1.35	1.19	1.73	1.80
<b>PER SHARE DATA</b>					
Earning Per Share (₹)	10.94	11.34	7.73	7.22	6.04
Book Value (₹)	60.47	51.29	41.12	28.49	22.72

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF HITECH PLAST LIMITED GROUP ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HITECH PLAST LIMITED AND ITS SUBSIDIARY.**

We have audited the attached consolidated Balance Sheet of Hitech Plast Limited ('the Company') and its subsidiary (collectively referred 'the Group') as at 31<sup>st</sup> March, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended (refer Note 4 of Schedule 'O') on that date annexed thereto.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS-21) - on Consolidated Financial Statements, (AS-23) Accounting for Investments in Associates in Consolidated Financial Statements and (AS-27) Financial reporting of interests in Joint Ventures issued by the Institute of Chartered Accountants of India.

Based on our audit of financial statements of the Company and its subsidiary, included in the consolidated financial statements read with Notes 4 and 5 of schedule 'O' and to the best of our information and according to explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of consolidated Balance Sheet, of the Consolidated state of affairs of the Group as at 31st March, 2011;
- b) In the case of consolidated Profit and Loss Account, of the Consolidated profit for the Group for the year ended on that date;

And

- c) In the case of the consolidated cash flow statement, of the Consolidated cash flows of the Group for the year ended on that date.

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
28<sup>th</sup> May, 2011

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2010 (₹ in Lacs)
<b><u>FUNDS EMPLOYED</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	A	<b>1,317.57</b>	1,317.57
Reserves & Surplus	B	<b>6,649.43</b>	5,440.88
		<b>7,967.00</b>	6,758.45
<b>LOANS</b>			
Secured Loans	C	<b>8,200.86</b>	5,928.12
Unsecured Loans		<b>1,427.71</b>	1,042.23
		<b>9,628.57</b>	6,970.35
<b>DEFERRED TAX LIABILITY</b> (Refer Note No. 6 in Schedule 'O')		<b>561.14</b>	492.34
<b>MINORITY INTEREST</b>		<b>2,795.30</b>	2,214.24
<b>TOTAL</b>		<b>20,952.01</b>	16,435.38
<b><u>APPLICATION OF FUNDS</u></b>			
Goodwill (On Consolidation)		<b>293.95</b>	293.95
<b>FIXED ASSETS</b>			
Gross Block	D	<b>18,407.69</b>	13,898.93
Less : Depreciation/Amortisation		<b>7,442.59</b>	6,313.53
Net Block		<b>10,965.10</b>	7,585.40
Capital Work in Progress		<b>1,004.20</b>	1,876.22
		<b>11,969.30</b>	9,461.62
<b>INVESTMENTS</b>	E	<b>11.00</b>	11.00
<b>CURRENTS ASSETS, LOANS AND ADVANCES</b>			
Inventories	F	<b>4,240.31</b>	2,730.61
Sundry Debtors		<b>5,779.67</b>	4,611.37
Cash and Bank Balances		<b>569.08</b>	604.18
Loans and Advances		<b>1,221.72</b>	1,186.42
		<b>11,810.78</b>	9,132.58
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>	G	<b>2,800.81</b>	2,161.30
Current Liabilities		<b>332.21</b>	302.47
Provision			
<b>NET CURRENT ASSETS</b>		<b>3,133.02</b>	2,463.77
		<b>8,677.76</b>	6,668.81
<b>TOTAL</b>		<b>20,952.01</b>	16,435.38
Significant Accounting Policies	N		
Notes on Accounts	O		

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
28<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

Mumbai  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

Jaipur  
28<sup>th</sup> May, 2011



**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	Schedule	Year 2010-11 (₹ in Lacs)	Year 2009-10 (₹ in Lacs)
<b><u>INCOME</u></b>			
Sales :			
Domestic (Net of Returns)		37,321.17	28,224.57
Export		138.25	8.31
Gross Sales		37,459.42	28,232.88
Less : Excise Duty Paid		3,075.28	2,040.71
Sales (Net of Excise Duty)		34,384.14	26,192.17
Other Income	H	220.39	218.82
		<b>34,604.53</b>	<b>26,410.99</b>
<b><u>EXPENDITURE</u></b>			
Material Cost	I	21,606.98	15,690.94
Manufacturing Expenses	J	4,286.14	3,307.82
Employee Cost	K	1,960.92	1,633.23
Administrative and Selling Expenses	L	1,999.11	1,617.44
		<b>29,853.15</b>	<b>22,249.43</b>
GROSS PROFIT BEFORE INTEREST , DEPRECIATION & TAX		<b>4,751.38</b>	<b>4,161.56</b>
Less: Interest	M	1,241.45	855.54
PROFIT BEFORE DEPRECIATION AND TAX		<b>3,509.94</b>	<b>3,306.02</b>
Less: Depreciation /Amortisation	D	1,262.53	948.74
PROFIT BEFORE TAX		<b>2,247.40</b>	<b>2,357.28</b>
Less: Provision for Taxation			
Current Tax		566.10	690.50
Deferred Tax (Refer Note no. 6 in Schedule 'O' )		68.80	93.71
(Excess) Tax Provision for Earlier Year		-	(0.11)
NET PROFIT		<b>1,612.50</b>	<b>1,573.18</b>
Less : Minority Interest		<b>(170.87)</b>	<b>(79.35)</b>
Balance		<b>1,441.63</b>	<b>1,493.83</b>
Add : Balance brought forward from previous year		<b>3,600.45</b>	<b>2,405.82</b>
Amount Available for Appropriations		<b>5,042.08</b>	<b>3,899.65</b>
<b><u>APPROPRIATIONS</u></b>			
Proposed Dividend on Equity Shares		210.81	197.64
Tax on Proposed Dividend		34.20	32.82
Transfer to General Reserve		88.90	68.74
Balance carried to Balance Sheet		<b>4,708.17</b>	<b>3,600.45</b>
Earning Per Share (₹) Basic and Diluted (Refer Note No.10 in Schedule 'O')		<b>10.94</b>	<b>11.34</b>
Significant Accounting Policies	N		
Notes on Accounts	O		

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
28<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

Mumbai  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

Jaipur  
28<sup>th</sup> May, 2011

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2011  
(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

	Year <b>2010-11</b> (₹ in Lacs)	Year 2009-10 (₹ in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra-ordinary Item	<b>2,247.40</b>	2,357.28
<b>Adjustments for :</b>		
Depreciation/Amortisation	<b>1,262.53</b>	948.74
Loss/(Profit) on Sale of Fixed Assets	<b>(26.22)</b>	(28.21)
Interest Expense	<b>1,241.45</b>	855.54
Interest income	<b>(18.31)</b>	(17.62)
Goodwill Written Off	<b>11.57</b>	
<b>Operating Profit before working capital changes</b>	<b>4,718.42</b>	4,115.73
<b>Adjustments for :</b>		
Trade Receivables	<b>(1,168.29)</b>	(1,331.37)
Other Receivables	<b>74.86</b>	102.59
Inventories	<b>(1,509.70)</b>	(852.00)
Trade Payables	<b>644.34</b>	746.63
<b>Cash Generated from Operations</b>	<b>2,759.63</b>	2,781.58
Income Tax Paid	<b>(674.46)</b>	(715.89)
<b>Net Cash Flow from Operations</b>	<b>2,085.17</b>	2,065.69
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(4,308.86)</b>	(3,541.88)
Sale of Fixed Assets	<b>553.29</b>	89.17
Interest Received	<b>16.52</b>	9.05
<b>Net Cash used in Investing Activities</b>	<b>(3,739.05)</b>	(3,443.66)
<b>C. CASH FLOW FROM FINANCING ACVTIVITIES</b>		
Capital Subsidy received	<b>30.00</b>	
Proceeds from Issue of Shares to Minority	<b>402.24</b>	595.91
Stamp Duty paid on Amalgamation	<b>(10.11)</b>	
Proceeds from Long Term Borrowings	<b>5.48</b>	260.34
Repayment of Long Term Borrowings	<b>(55.86)</b>	-
Proceeds from/(Repayment of) Cash Credit	<b>1,036.13</b>	1,576.52
Proceeds from Short Term Borrowings	<b>1,692.48</b>	156.91
Repayment of Short Term Borrowings	<b>(20.00)</b>	-
Dividend Paid	<b>(227.92)</b>	(169.28)
Interest Paid	<b>(1,233.66)</b>	(863.73)
<b>Net Cash used in Financing Activities</b>	<b>1,618.78</b>	1,556.67
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>(35.10)</b>	178.70
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>604.18</b>	425.48
<b>Cash and Cash Equivalents at the end of the year</b>	<b>569.08</b>	604.18

Note : Cash and Cash Equivalents at the end of the period include Bank Guarantee Deposits with Banks of ₹ 137.08 Lacs (previous year ₹ 114.73 Lacs )

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
28<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

Mumbai  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

Jaipur  
28<sup>th</sup> May, 2011

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

**SCHEDULE "A": SHARE CAPITAL****AUTHORISED:**

20,000,000 Equity Shares of ₹ 10/- each (Previous Year 20,000,000)

As At <b>31.03.2011</b> (₹ in Lacs)	As At 31.03.2010 (₹ in Lacs)
---	------------------------------------

<b>2,000.00</b>	2,000.00
<b>2,000.00</b>	2,000.00

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

13,175,700 Equity Shares of ₹ 10/- each fully paid (Previous Year 13,175,700)  
 [ Include 2,896,995 Equity Shares of ₹ 10/- each issued as fully paid,  
 pursuant to the Scheme of Amalgamation of Plastic & Precision Machinefabrik  
 Limited, without payment received in cash.] [Out of the above, 8,029,295  
 Equity Shares of ₹ 10/-each are held by parent company viz. by Geetanjali  
 Trading and Investments Private Limited ]

<b>1,317.57</b>	1,317.57
-----------------	----------

<b>1,317.57</b>	1,317.57
-----------------	----------

**SCHEDULE "B" : RESERVES & SURPLUS****Capital Subsidy**

As per last Balance Sheet

**25.00**

25.00

Add: Received during the year

**30.00**

-

Less: Minority Interest

**12.00**

-

<b>43.00</b>	25.00
--------------	-------

**Capital Reserve**

As per last Balance Sheet

**432.57**

355.70

Add: Received on account of Merger

-

128.12

Less: Minority Interest

-

51.25

<b>432.57</b>	432.57
---------------	--------

Capital Redemption Reserve

<b>461.20</b>	461.20
---------------	--------

Share Premium

<b>737.21</b>	737.21
---------------	--------

**General Reserve**

As per last Balance Sheet

**184.45**

115.71

Add: Transfer from Profit &amp; Loss A/C

**88.90**

68.74

<b>273.35</b>	184.45
---------------	--------

**Profit and Loss Account**

As per last Balance Sheet

**3,600.45**

2,405.82

Add: Profit for the year

**1,107.72**

1,194.63

**4,708.17**

3,600.45

Less: Stamp Duty paid on Amalgamation

**6.07**

-

<b>4,702.10</b>	3,600.45
-----------------	----------

<b>6,649.43</b>	5,440.88
-----------------	----------

**SCHEDULE "C" : SECURED AND UNSECURED LOANS****SECURED LOANS:****i) Long Term :**

Term Loans from Banks (Note No.1)

<b>2,578.16</b>	2,634.02
-----------------	----------

(Payable within One year ₹ 856.93 Lacs, Previous year ₹ 933.44 Lacs)

**ii) Short Term:**

Loans from Banks (Note No. 2)

<b>1,692.48</b>	400.00
-----------------	--------

Cash Credit Accounts (Note No. 2)

<b>3,930.22</b>	2,894.10
-----------------	----------

<b>5,622.70</b>	3,294.10
-----------------	----------

<b>8,200.86</b>	5,928.12
-----------------	----------

**UNSECURED LOANS:****Long Term:****Fixed Deposits**

a) Directors

-

-

b) Others

<b>1,027.71</b>	1,022.23
-----------------	----------

(Payable within one year ₹ 516.26 lacs , Previous year ₹ 373.01 Lacs)

<b>1,027.71</b>	1,022.23
-----------------	----------

**Short Term :**

a) Loans from Banks

**400.00**

-

b) Inter Corporate Deposits

-

20.00

(Payable within one year ₹ Nil, Previous year Rs. ₹ 20 lacs)

<b>1,427.71</b>	1,042.23
-----------------	----------

<b>9,628.57</b>	6,970.35
-----------------	----------



	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2010 (₹ in Lacs)
<b>1) Term Loans from Banks</b>		
a) Standard Chartered Bank (Specific charge on Plant & Machinery at Rohtak, Haryana Pari Pasu charge on Factory Land & Building at Rohtak.) (Payable within one year ₹ 312.50 lacs ,Previous year ₹ Nil )	<b>1,500.00</b>	1,000.00
b) Haryana State Industrial & Infrastructure Development Corporation (Half yearly Installments given by Haryana State Industrial & Infrastructure Development Corporation) (Payable within one year Rs ₹ NIL ,Previous year ₹ 234 Lacs)	-	351.00
c) State Bank of India-Windmill (Primary hypothecation of the asset purchased out of Bank finance at Velarasi, Tripur, Tamilnadu Site of wind mill Project) (Collateral Extension of Equitable Mortgage of factory land & Building located at Gut No.939,940 Nagar Road village Sanaswadi, taluka shirur, District Pune-412208 & extension of charge on current assets.) (Payable within one year ₹ 66 lacs ,Previous year ₹ 66 Lacs)	<b>67.12</b>	133.12
d) State Bank of India- (Primary hypothecation of the assets purchased out of Bank finance) (Collateral Extension of Equitable Mortgage of factory land & Building located at Gut No.939,940 Nagar Road village Sanaswadi, taluka shirur, District Pune-412208 & extension of charge on current assets.) (Payable within one year ₹ 199.92 lacs ,Previous year ₹ 199.92 Lacs)	<b>240.16</b>	440.08
e) Kotak Mahindra Bank Limited Exclusive First charge on existing and future land, building and immovable plant and machinery of the borrower  Hypothecation by way of first & exclusive charge on all existing and future current assets and existing and future movable plant and machinery of the Borrower including movable plant and machinery of Plastic Precision & Machinefabrik Division. (Payable within one year ₹ 76.92 Lacs, Previous year ₹ 67.57 Lacs)	<b>500.00</b>	67.57
f) Kotak Mahindra Bank Limited Exclusive charge on land & building and movable and immovable plant & machinery (existing and future). Mortgage to be created on Uttaranchal within 45 days.  Hypothecation by way of first & exclusive charge on current assets of the Borrower (existing and future) including movable plant and machinery of Plastic Precision & Machinefabrik (division of the Borrower) and Uttaranchal project. (Payable within one year ₹ 76.00 Lacs, Previous year ₹ 125.81 Lacs)	<b>76.00</b>	207.23
g) Kotak Mahindra Bank Limited First & Exclusive charge on all existing and future current assets of the Borrower  Second charge on all movable fixed assets, present & future of the Company Second charge by way of Equitable Mortgage on the immovable properties (Payable within one year ₹ 125.59 Lacs, Previous year ₹ 240.14 Lacs)	<b>194.88</b>	435.02

**Note No.2 :**

Short Term Loans from the Banks and Cash Credit Accounts are secured by hypothecation of inventories, book debts and other current assets.

## SCHEDULES TO BALANCE SHEET

Schedule "D" : FIXED ASSETS

(₹ in Lacs)

Particulars	Gross Block				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions during the Year	Deductions and /or adjustments	As at <b>31.03.2011</b>	As at 01.04.2010	Additions / Amortization during the Year	Deductions and /or adjustments	As at <b>31.03.2011</b>	As at <b>31.03.2011</b>	As at 31.03.2010
<b>Tangible Assets :</b>										
Freehold Land	1,175.66	941.72	450.43	<b>1,666.95</b>					<b>1,666.95</b>	1,175.66
Leasehold Land	219.06	138.96		<b>358.02</b>	7.21	3.41		<b>10.62</b>	<b>347.40</b>	211.85
Buildings	2,780.74	915.57		<b>3,696.31</b>	1,071.34	243.28		<b>1,314.62</b>	<b>2,381.69</b>	1,709.40
Moulds	1,613.75	335.33	52.08	<b>1,897.00</b>	1,299.62	188.42	8.66	<b>1,479.38</b>	<b>417.62</b>	314.13
Plant & Machinery	7,289.98	2,617.69	135.35	<b>9,772.32</b>	3,478.21	726.46	102.72	<b>4,101.95</b>	<b>5,670.37</b>	3,811.77
Furniture	205.65	75.67		<b>281.32</b>	109.20	17.92		<b>127.12</b>	<b>154.20</b>	96.45
Leasehold Improvements	26.68	39.19		<b>65.87</b>	3.21	6.57		<b>9.78</b>	<b>56.09</b>	23.47
Computers	122.07	48.69	0.41	<b>170.35</b>	86.47	14.55		<b>101.02</b>	<b>69.33</b>	35.60
Office Equipments	128.50	34.15		<b>162.65</b>	65.57	9.88		<b>75.45</b>	<b>87.20</b>	62.93
Vehicles	204.03	12.58	4.91	<b>211.70</b>	119.79	22.08	4.73	<b>137.14</b>	<b>74.56</b>	84.24
<b>Intangible Assets :</b>										
Software	100.51	21.32		<b>121.83</b>	53.56	29.57		<b>83.13</b>	<b>38.70</b>	46.95
Goodwill	28.93		28.93		17.36		17.36			11.57
Patent	3.37			<b>3.37</b>	1.99	0.39		<b>2.38</b>	<b>0.99</b>	1.38
<b>TOTAL</b>	<b>13,898.93</b>	<b>5,180.87</b>	<b>672.11</b>	<b>18,407.69</b>	<b>6,313.53</b>	<b>1,262.53</b>	<b>133.47</b>	<b>7,442.59</b>	<b>10,965.10</b>	<b>7,585.40</b>
		-		-					-	
Previous Year	11,581.18	2,306.96	(10.79)	13,898.93	5,416.43	948.74	51.64	6,313.53	7,585.40	



SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS : (Continued)

**SCHEDULE "E": INVESTMENTS**

**Long Term Investments**

**unquoted (at cost)**

**Subsidiary Companies**

11,000 (P.Y. 11,000) Equity Shares of ₹ 100/- each, fully paid-up in Ho-Plast Pvt. Ltd.

Total Long Term Unquoted Investment

As At  
**31.03.2011**  
(₹ in Lacs)

As At  
31.03.2010  
(₹ in Lacs)

**11.00** 11.00

**11.00** 11.00

**SCHEDULE "F": CURRENT ASSETS, LOANS AND ADVANCES**

**CURRENT ASSETS :**

**Inventories:**

(as taken, valued and certified by Management)

a. Packing Materials	<b>125.15</b>		101.76
b. Raw Materials (includes Stock-in-Transit ₹ 15.92 lacs, P.Y. ₹ 1.18 Lacs)	<b>2,304.11</b>		1,506.58
c. Finished Goods	<b>992.94</b>		563.33
d. Work-in-Progress	<b>811.24</b>		555.40
e. Consumables, Stores & Spares	<b>6.87</b>		3.54
		<b>4,240.31</b>	2,730.61

**Sundry Debtors (Unsecured)**

a. Outstanding for more than six months considered good	<b>314.84</b>		259.07
considered doubtful	<b>63.66</b>		47.86
		<b>378.50</b>	306.93
b. Other Debts considered good	<b>5,464.83</b>		4,352.30
considered doubtful	<b>-</b>		-
		<b>5,464.83</b>	4,352.30

Less : Provision for doubtful debts

**Cash and Bank Balances:**

a. Cash in hand	<b>6.71</b>		6.20
b. Balance With Scheduled Banks :			
(i) With Scheduled Banks	<b>250.73</b>		372.26
(ii) Term Deposits	<b>311.64</b>		225.72
( Bank Guarantee - ₹ 137.08 lacs; P.Y. ₹ 114.73 lacs)		<b>569.08</b>	604.18

**LOANS AND ADVANCES :**

(Unsecured, considered good)

a. Balances with Customs, Central Excise etc.	<b>436.99</b>		302.58
b. Sundry deposits	<b>270.82</b>		213.92
c. Advances recoverable in cash or kind	<b>215.24</b>		475.30
d. Loans to Staff	<b>0.10</b>		4.41
e. Advance Payments of Taxes (Net of provision for Tax of ₹ 2,345.63 lacs, P.Y. ₹ 1,777.19 lacs)	<b>298.57</b>		190.21
		<b>1,221.72</b>	1,186.42
		<b>11,810.78</b>	9,132.58

**SCHEDULE "G": CURRENT LIABILITIES AND PROVISIONS**

**CURRENT LIABILITIES:**

**(i) Sundry Creditors**

Dues to Micro & Small Enterprises [Refer Note No.8 in Schedule 'O']

Others	<b>272.38</b>		230.54
	<b>1,378.40</b>		1,102.23
		<b>1,650.78</b>	1,332.77

**(ii) Other Liabilities**

(a) Employees ( Including ₹ 11.33 Lacs due to Managing Director Previous year ₹ 14.00 Lacs due to Managing Director)	<b>206.29</b>		194.18
(b) Other ( Including ₹ 8.15 Lacs due to Non-Executive Directors Previous year ₹ 7.20 Lacs due to Non-Executive Directors )	<b>935.57</b>		628.73
		<b>1,141.86</b>	822.91

**(iii) Investor Education & Protection Fund \***

Unpaid / Unclaimed dividend	<b>8.17</b>		5.62
		<b>8.17</b>	5.62

**PROVISIONS :**

(i) Proposed dividend	<b>210.81</b>		197.64
(ii) Provision for Tax on Proposed Dividend	<b>34.20</b>		32.82
(iii) Defined benefit obligations (Refer Note 9 in Schedule 'O')	<b>0.81</b>		4.65
(iv) Provision for accrued leave	<b>86.39</b>		67.36
		<b>332.21</b>	302.47
		<b>3,133.02</b>	2,463.77

\* There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March,2011. These amounts shall be paid to the fund as and when they become due.

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS : (Continued)

	Year 2010-11 (₹ in Lacs)	Year 2009-10 (₹ in Lacs)
<b><u>SCHEDULE "H" : OTHER INCOME</u></b>		
Interest Received (Gross) (TDS ₹ 1.47 Lacs, Previous Year ₹ 2.13 Lacs )	<b>18.31</b>	17.62
Sale of Scrap	<b>43.39</b>	17.31
Income from Wind Power Generator	<b>61.07</b>	76.07
Interest on Income tax refund	<b>3.18</b>	-
Exchange Difference (Net)	<b>14.14</b>	6.78
Designing charges	<b>7.67</b>	12.79
Profit on sale of Fixed Assets (Net)	<b>26.22</b>	28.21
Sundry balances (Net) written back	<b>25.01</b>	16.89
Miscellaneous Income	<b>21.40</b>	43.15
	<b>220.39</b>	<b>218.82</b>

**SCHEDULE "I" : MATERIAL COST**Raw Materials Consumed

Opening Stock	<b>1,505.40</b>	982.82
Add : Purchases	<b>21,565.50</b>	15,397.50
	<b>23,070.90</b>	16,380.32
Less: Sales	<b>36.33</b>	9.55
	<b>23,034.57</b>	16,370.77
Less : Closing Stock	<b>2,288.19</b>	1,505.40
	<b>20,746.38</b>	14,865.37

Packing Material Consumed

Opening Stock	<b>101.76</b>	42.88
Add : Purchases	<b>1,529.40</b>	1,151.19
	<b>1,631.16</b>	1,194.07
Less : Closing Stock	<b>125.15</b>	101.76
	<b>1,506.01</b>	1,092.31
	<b>22,252.39</b>	15,957.68

(Increase) in finished goods and work-in-process:

Opening Stock	<b>1,118.73</b>	839.43
Closing Stock	<b>1,804.18</b>	1,118.73
	<b>(685.45)</b>	(279.30)
Increase in Excise Duty on Finished Goods	<b>40.04</b>	12.56
	<b>21,606.98</b>	15,690.94

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS : (Continued)

	Year 2010-11 (₹ in Lacs)	Year 2009-10 (₹ in Lacs)
<b><u>SCHEDULE "J" : MANUFACTURING EXPENSES</u></b>		
Processing Charges	1,015.52	1,018.25
Water, Power and Fuel	1,619.85	1,285.93
Material Handling Charges	1,084.50	585.21
Stores & Spares Consumed	205.20	154.55
Repairs & Maintenance -		
- to Building	45.69	27.00
- to Plant and Machinery	243.20	176.75
- Other Assets	72.18	60.13
	<b>361.07</b>	<b>263.88</b>
	<b>4,286.14</b>	<b>3,307.82</b>
<b><u>SCHEDULE "K" : EMPLOYEE COST</u></b>		
Salaries, Wages, allowances and other benefits	1,671.51	1,379.78
Staff Welfare Expenses	144.90	125.87
Contribution to Provident Fund	103.02	85.91
Defined Benfits (Gratuity) (Refer Note No. 9 in Schedule 'O')	41.49	41.67
	<b>1,960.92</b>	<b>1,633.23</b>
<b><u>SCHEDULE "L" : ADMINISTRATIVE AND SELLING EXPENSES</u></b>		
Freight and Handling Charges	811.45	647.71
Rent	246.87	195.01
Rates and Taxes	27.04	17.03
Insurance	19.63	17.14
Security Charges	106.38	73.05
Rebate & Discount	13.75	-
Printing and Stationery	39.16	27.07
Postage and Telephone	65.20	56.09
Travelling and Conveyance Expenses	151.74	103.78
Miscellaneous Expenses	455.06	392.51
Directors' Sitting Fees	6.28	5.24
Auditors' Remuneration	34.18	26.72
Commission to Non Executive Directors	8.15	7.20
Provision for Doubtful Debts	12.36	34.51
Bad Debts written off	1.86	14.38
	<b>1,999.11</b>	<b>1,617.44</b>
<b><u>SCHEDULE "M" : INTEREST</u></b>		
Term Loans	545.76	218.67
Cash Credit	159.16	265.60
Bill Discounted and Fixed Deposits	427.91	325.64
Bank Charges	108.62	45.63
	<b>1,241.45</b>	<b>855.54</b>

**SCHEDULE "N"****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN THE COMPILATION OF CONSOLIDATED ACCOUNTS:****1. Basis for preparation of consolidated financial statements:****(a) Basis of Accounting:**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

**(b) Use of Estimates:**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

**2. Fixed Assets:**

a) Fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Interest on borrowed funds directly attributable to the qualifying assets up to the period such assets are put to use, is included in the cost.

b) Depreciation on all fixed assets is provided under Straight Line Method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on following assets has been provided at rates which are higher than the corresponding rates prescribed in Schedule XIV.

Moulds	: 4 years
Furniture & Fixture	: 10 years
Computer	: 5 years
Office Equipment	: 10 years
Vehicle	: 5 years

Depreciation on Plant and Machinery is provided under Straight Line Method on triple shift basis; and on Building is provided under the Written Down Value Method, at the rates laid down in the Schedule XIV to the Companies Act, 1956

Assets costing less than ₹ 5,000 are fully charged to the Profit and Loss Account in the year of acquisition. Leasehold Land and leasehold improvements are amortised over the primary period of lease. Goodwill on amalgamation is amortised over a period of five years.

Purchase cost, user licence fees and consultancy fees for major software are amortised over a period of three years.

c) At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Group's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized in the Profit and Loss Account.



After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

### **3. Revenue Recognition:**

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and are net of returns. Sales are stated gross of excise duties as well as net of excise duties; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of 'material cost'.

Revenue from service is recognised on rendering of services to customers.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

### **4. Lease Accounting:**

Assets taken on operating lease:

Lease rentals on assets taken on operating lease are recognized as expense in the Profit and Loss Account on an accrual basis over the lease term.

### **5. Inventory:**

- a) Raw materials, work in progress, finished goods, packing materials, stores, spares and consumables are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably depreciated.
- b) In determining cost of raw material, packing material, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- c) Cost of finished goods and work-in-process includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

### **6. Investments:**

Long term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Profit and loss on sale of Investments is determined on a first-in-first-out (FIFO) basis.

### **7. Transactions in Foreign Currency:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss Account of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange difference are recognised in the Profit and Loss Account.

The premium or discount on forward exchange contracts is recognized over the period of the contracts in the Profit and Loss Account.

### **8. Sundry Debtors:**

Sundry debtors are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.



**9. Employee Benefits:****i. Short Term Employee Benefits :**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Group's recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**ii. Post-employment benefits :****(a) Defined contribution plans**

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme. The Group's contribution to defined contribution plans are recognised in the Profit and Loss Account in the financial year to which they relate. The Group's contributes to the Government administered provident funds on behalf of its employee.

**(b) Defined benefit plans**

The Group's operates a defined benefit gratuity plan for employees. The Group's contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

**iii. Other long term employee benefits**

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Group's determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

**10. Research and Development:**

(a) Capital expenditure is shown separately under respective heads of fixed assets.

(b) Revenue expenses including depreciation are charged to Profit and Loss Account under the respective heads of expenses.

**11. Provision for Taxation:**

Tax expenses comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and Deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred Tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

**12. Provisions and Contingencies:**

The Group's creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

**13. Earnings Per Share:**

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**14. Proposed Dividend:**

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting.

**SCHEDULE "O":**
**NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:**

	<b>2010-2011</b>	<b>(₹ in Lacs)</b> 2009-2010
1. Estimated amount of contracts remaining to be executed on Capital account and not provided for.	<b>891.86</b>	622.46
2. Letter of Credit and Bank guarantees issued by bankers and Outstanding as on 31 <sup>st</sup> March, 2011.	<b>638.38</b>	351.44
3. Contingent Liabilities:		
(a) Bills Discounted (Since realized ₹ 2,339.99 Lacs, Previous Year ₹ 2,781.24 Lacs)	<b>3,773.43</b>	2,794.61
(b) Claim against the company not acknowledged as debts Tax matter dispute under appeal	<b>266.76</b>	49.45

4. Name of the Subsidiaries :	<b>% of Voting power</b>	<b>Financial Year</b>
Clear Mipak Packaging Solutions Limited (erstwhile Clear Plastics Limited)	<b>60%</b>	31st March, 2011
5. Principles of Consolidation:		
a) The consolidated financial statements are based on audited financial statements of subsidiaries.		
b) The financial statements of the parent company and its subsidiary have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. All significant intra group balances and transactions have been eliminated in consolidation.		
c) Goodwill is tested for impairment every year.		
d) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar transactions and are presented to the extent possible, in the same manner as the parent Company's financial statement.		
e) Minority Interest in the net income and net assets of the consolidated financial statements are computed and shown separately.		
6. The Group has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS-22) – Accounting for Taxes on income.		

The major components of deferred tax (liabilities)/ assets arising on account of timing difference as at 31st March, 2011 are as follows:

	<b>(₹ in Lacs)</b>
<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
<b>Deferred tax liabilities</b>	
Difference between the Written down value / Capital work in progress of assets as per the books of account and Income Tax Act, 1961	<b>(630.19)</b> (545.02)
<b>Total deferred tax liabilities</b>	<b>(630.19)</b> (545.02)
<b>Deferred tax assets</b>	
Expenses allowed for tax purpose on payment basis	<b>48.39</b> 36.41
Provision for doubtful debts	<b>20.66</b> 16.27
<b>Total Deferred Tax Assets</b>	<b>69.05</b> 52.68
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(561.14)</b> (492.34)
<b>Deferred Tax Benefit / (Expense) for the year</b>	<b>(68.80)</b> (93.71)

7. Pursuant to Accounting Standard (AS-19) Lease, the following information is given:

- The Company has taken certain assets such as cars on an operating lease basis, the lease rentals are payable by the Company on a monthly basis.
- Future minimum lease rentals payable as at 31st March, 2011 as per the lease agreements:

		(₹ in Lacs)	
		31.03.2011	31.03.2010
I)	Not later than one year	26.12	20.10
II)	Later than one year but not more than five years	45.27	19.96
III)	Later than five years	-	-
<b>Total</b>		<b>71.39</b>	<b>40.06</b>

- Lease payments recognised in the Profit and Loss Account for the period are ₹ 29.58 Lacs (previous year ₹ 26.17 Lacs).

8. There are no Micro and small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Disclosures under the Micro and small Enterprises Development Act, 2006 are provided as under for the year 2010-11, to the extent the Company has received intimations from the suppliers regarding their status under Act as on 31-3-2011.

		(₹ in Lacs)	
Sr. No.		2010-11	2009-10
a)	Principal amount and separately the interest due thereon remaining unpaid to any supplier at the end of the financial year.	Nil	Nil
b)	The amount of interest paid u/s 16 of this Act, along with the amounts of payments made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment which have been paid but, beyond the appointed day during the year.	Nil	Nil
d)	The amount accrued and remaining unpaid at the end of each accounting period; i.e., principal is paid but interest has remained unpaid.	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure.	Nil	Nil

9. Employee Benefits:

(1) Short term employee benefits:

The liability towards short term employee benefits for the year ended 31st March, 2011 has been recognised in the Profit and Loss Account.

(2) Post employee benefits:

The following disclosure are made in accordance with AS-15 (Revised) pertaining to Defined benefit Plans:

(₹ in Lacs)

Particulars	Gratuity (Funded Plan) 2010 - 2011	Gratuity (Funded Plan) 2009 - 2010
<b>Amount recognised in Balance Sheet</b>		
Present value of funded obligations	197.60	153.89
Fair Value of Plan Assets	190.84	149.40
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Amount not recognised as an asset, because of the limit in Para 50(b) of AS-15	-	-
<b>Net Liability/(Asset)</b>	<b>6.76</b>	<b>4.49</b>
<b>Amounts in Balance Sheet</b>		
Liability	6.76	4.49
Assets	-	-
<b>Net Liability/(Asset)</b>	<b>6.76</b>	<b>4.49</b>
<b>Amount recognised in the statement of Profit &amp; Loss</b>		
Opening defined benefit obligation less benefit paid		
Current service cost	24.41	16.82
Interest on defined benefit obligation	13.98	8.99
Expected return on plan assets	(14.74)	(9.36)
Net actuarial losses/(gains) recognized in year	6.36	44.53
Past Service Cost	10.68	-
Effect of the limit in Para 59(b) of AS-15 (Revised)	-	-
Losses / (gains) on 'Curtailements and Settlements'	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>40.69</b>	<b>60.98</b>
Actual return on plan assets	<b>10.76</b>	<b>Nil</b>
<b>Reconciliation of benefit obligations and plan assets for the period</b>		
<b>Change in defined benefit obligation</b>		
<b>Opening defined benefit obligation as at 1st April</b>	<b>153.89</b>	<b>105.39</b>
Current Service Cost	24.41	16.82
Interest Cost	13.98	8.99
Actuarial (Gain)/Loss on obligations	2.91	35.17
Past Service Cost	10.68	-
Liabilities extinguished on curtailment	-	-
Liabilities extinguished on settlement	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits Paid	(8.27)	(12.48)
<b>Closing defined benefit obligation as at 31st March</b>	<b>197.60</b>	<b>153.89</b>
<b>Change in fair value of assets</b>		
<b>Opening fair value of plan assets as at 1st April</b>	<b>149.21</b>	<b>111.87</b>
Expected return on Plan Assets	14.74	12.21
Actuarial Gain/(Loss)	(3.89)	(9.36)
Assets distributed on settlements	-	-
Contributions by employer	39.05	47.16
Assets acquired due to acquisition	-	-
Exchange difference on foreign plans	-	-
Benefits Paid	(8.27)	(12.48)
<b>Closing Fair Value of Plan Assets as at 31<sup>st</sup> March</b>	<b>190.84</b>	<b>149.40</b>
<b>Investment Details (Assets information) :</b>		
Government of India Securities	Nil	Nil
Public Sector Unit Bonds	Nil	Nil
State/Central Guaranteed Securities	Nil	Nil
Special Deposit Schemes	Nil	Nil
Equity Shares of Listed Companies	Nil	Nil
Property	Nil	Nil
Insurer Managed Funds	100%	100%
Others	Nil	Nil
<b>Assumptions :</b>		
Discounted Rate (per annum)	8.00%	8.00%
Estimated Rate of return on Plan Assets (per annum)	8.00%	8.00%
Rate of Escalation in Salary (per annum)	6.00%	6.00%

## Notes:–

- a) The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- b) The Group estimates that the amount to be contributed to the Gratuity fund for the financial year 2010-2011 will be ₹ 0.81 Lacs.
- c) The guidance on implementing AS – 15 (Revised) issued by Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India states benefit involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefits plans. Pending the issuance of the guidance note from Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the Company is unable to exhibit the related information.

## (3) Long Term Employee Benefits:

The liability towards compensated absences (annual leave and sick leave) as at 31st March, 2011, based on actuarial valuation carried out using the Projected Accrued Benefit Method amounting to ₹ 30.17 Lacs (Previous year – ₹ 33.02 Lacs ) has been recognised in the Profit & Loss statement.

## 10. Earnings Per Share:

	2010-2011	2009-2010
a) Basic and diluted earnings per share in rupees (Face value – ₹ 10/- per share)	<b>10.94</b>	11.34
b) Profit after tax and prior period items as per profit and loss Accounts (₹ in Lacs)	<b>1441.63</b>	1,493.83
c) Weighted average number of equity shares outstanding	<b>1,31,75,700</b>	1,31,75,700

11. Information on related party transactions as required by Accounting Standard – 18 on Related Party Disclosures for the year ended 31st March, 2011.

1. Key managerial person who is under the employment of the company is entitled to post employment benefits and other long term employee benefits recognised as per AS – 15 (Revised) Employee benefits in the financial statements. As this employee benefits are lumpsum amount provided on the basis of actuarial valuation, the same is not included above.

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

	(₹ in Lacs)	
Sale of Goods	<b>2010-2011</b>	2009-2010
Asian Paints Ltd	<b>14,729.54</b>	11311.28
Purchase of Goods	<b>Nil</b>	Nil
Service Provided	<b>Nil</b>	Nil
Service Received	<b>Nil</b>	Nil

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Relationship:               <ol style="list-style-type: none"> <li>(i) Holding Company<br/>Geetanjali Trading and Investments Pvt. Ltd.</li> <li>(ii) Fellow Subsidiaries<br/>Coatings Specialities (India) Ltd.<br/>Rangudyan Insurance Broking Services Ltd.</li> <li>(iii) Key Management Person:<br/>Mr. Ashok K. Goyal (Managing Director)<br/>Mr. Harshad B.Desai<br/>Mr. Neeraj M. Munjal</li> <li>(iv) Promoter Director:<br/>Mr. Ashwin S. Dani<br/>Mr. Jalaj A. Dani<br/>Mr. Hasit A. Dani<br/>Mr. Malav A. Dani<br/>Mrs. Ina A. Dani</li> </ol> </li> </ol> | <ol style="list-style-type: none"> <li>(v) Companies controlled by Directors/ Relatives of Directors :<br/>Asian Paints Ltd.<br/>Gujarat Organics Ltd.<br/>Pragati Chemicals Ltd.<br/>Resins &amp; Plastics Ltd.<br/>SC Dani Research Foundation Pvt. Ltd.<br/>Suryakant Paint Accessories Pvt. Ltd.</li> <li>(vi) Employee Benefit Fund Where Control Exists<br/>Hitech Plast Employees' Gratuity Trust<br/>Clear Plastics Employees' Gratuity Trust</li> </ol> |
|--|--|



## 2. Related Party Transactions for the Year – 2010-11 and 2009-10:

(₹ in Lacs)

Particulars	Companies over which Directors have controlling interest		Fellow Subsidiaries		Promoter Directors of the Company		Key Management Personnel		Employee Benefit Plans where control exists	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Sales to Asian Paints Ltd.(Net of excise)	14,729.54	11,311.28								
Sales to Coatings Spl (I) Ltd.			0.03	0.19						
Services Received -Coatings Spl (I) Ltd.			135.00	125.40						
Interest Paid-Rangudyan			0.13	0.94						
Rent Paid-Coatings Spl (I) Ltd.			26.30	23.12						
Interest Paid - Coatings Spl (I) Ltd.				1.25						
Sitting Fees					2.05	1.41				
Commission					3.00	2.50				
Managerial Remuneration							151.03	113.33		
Reimbursement of Expenses to Advisor					5.67	1.22				
Inter Corporate Deposits Recd.-Coatings Spl (I)				100.00						
Inter Corporate Deposits Recd.- Rangudyan				20.00						
Inter Corporate Deposits Paid-Coatings Spl (I) Ltd.				100.00						
Inter Corporate Deposits Paid.- Rangudyan			20.00							
Inter Corporate Deposits Balance- Rangudyan				20.00						
Contribution During the Year									45.92	36.66
Amount Payable									0.21	4.65
Balance Receivable for Goods & services-Asian Paints Ltd.	727.78	383.23		0.18						
Balance Payable for Goods & services				2.68						

12. The Company had filed for compounding of offences under Section 621A of the Companies Act, 1956 to the Central Government post inspection carried out under Section 209A of the Companies Act, 1956, and compounding fees of ₹ 10,500/- were paid by the Company and ₹ 27,000/- were paid in aggregate by the Managing Director and the Company Secretary, in their personal capacities, for following provisions of the Companies Act, 1956: (a) Section 211 (Part I) read with Schedule IV, (b) Section 211 (Part II) read with Schedule IV, (c) Section 257, (d) Section 301(1) read with 302(2), (e) Section 301(3) and (f) Section 305.

13. As the Company's business activity falls within a single primary business segment viz., "Plastic Containers", the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", as prescribed in the Companies (Accounting Standards) Rules, 2006, is not applicable. The capital employed in the reportable segment was ₹ 20,952.01 lacs as on 31st March,2011 (₹ 16,435.38 lacs as on 31<sup>st</sup> March,2010).

14. Previous year's figures have been regrouped, wherever necessary.

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
28<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

Mumbai  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

Jaipur  
28<sup>th</sup> May, 2011

**Statement pursuant to Section 212 of the Companies Act, 1956****(₹ in Lacs)**

1	Name of the Subsidiary	Clear Mipak Packaging Solutions Limited
2	Financial Year of the Subsidiary	31 <sup>st</sup> March, 2011
3	Shares of the subsidiary held by Hitech Plast Limited on the above date	
	a) Number of Shares and Face Value	26,83,020 Equity Shares of Rs.10/- each
	b) Extent of Holding	60%
4	Net aggregate amount of profit/ (loss) of the subsidiary so far as they concern the members of Hitech Plast Limited	
	a) Dealt with in the accounts of Hitech Plast Limited for the year ended 31 <sup>st</sup> March, 2011	Nil
	b) Not dealt with in the accounts of Hitech Plast Limited for the year ended 31 <sup>st</sup> March, 2011	256.30
5	Net aggregate amount of profit/(loss) for previous financial years of the subsidiary since it became a subsidiary so far as they concern the members of Hitech Plast Limited.	
	a) Dealt with in the accounts of Hitech Plast Limited for the year ended 31 <sup>st</sup> March, 2011.	Nil
	b) Not dealt with in the accounts of Hitech Plast Limited for the year ended 31 <sup>st</sup> March, 2011.	810.98

On behalf of the Board of Directors

**Ashwin S. Dani**  
Chairman**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company SecretaryMumbai  
28<sup>th</sup> May, 2011**Ashok K. Goyal**  
Managing DirectorJaipur  
28<sup>th</sup> May, 2011

**FINANCIAL STATEMENTS  
OF  
SUBSIDIARY**

## DIRECTORS' REPORT

Dear Members,

### CLEAR MIPAK PACKAGING SOLUTIONS LIMITED

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of your Company and the audited accounts for the year ended March 31<sup>st</sup>, 2011.

### Financial Results

(₹ in Lacs)

	<b>2010-11</b>	<b>2009-10</b>
Sales (Net of Excise)	<b>14,094.30</b>	8,326.89
Total Income	<b>14,241.39</b>	8,438.96
Total Expenditure	<b>12,557.51</b>	7,408.09
<b>Operating Profit</b>	<b>1,683.88</b>	1,030.87
Interest and Financing Charges	<b>364.04</b>	314.21
Depreciation	<b>689.51</b>	508.01
Profit before Tax	<b>630.33</b>	208.65
Provision for tax	<b>187.1</b>	50.00
Provision for Deferred Tax liability (Asset)	<b>16.06</b>	51.53
<b>Net Profit</b>	<b>427.17</b>	107.12
Balance brought forward Profit	<b>924.47</b>	524.09
P & L Balance of Mipak on Amalgamation	-	293.26
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>	<b>1,351.64</b>	924.47
Appropriation:		
Balance carried to Balance Sheet	<b>1,351.64</b>	9,24.47

### OPERATIONS:

During the year under review, your Company's sales (including other operational income) increased by 69% to ₹ 142.41 crores as compared to ₹ 84.39 crores during the previous year. The PBIDT increased to ₹ 16.84 crores as compared to ₹ 10.30 crores for the previous year, showing growth of 63%. Net profit after tax was ₹ 4.27 crores as compared to ₹ 1.07 crores.

The interest cost was ₹ 3.64 crores as compared to ₹ 3.14 crores, despite achieving significant growth in sales turnover. During the year under review, the Company collected the balance amount of ₹ 54 per share (including premium of ₹ 49 per share) due on Rights Issue of shares made on 27th March 2010. This funds infusion helped your Company in containing the interest cost.

### DIVIDEND:

In order to conserve the financial resources of the Company to fund its growth plans, your Company is not recommending any dividend for the year ended 31st March, 2011.

### FINANCE:

Your Company has obtained sanction of Cash Credit Facilities of ₹ 25 crores, from Kotak Mahindra Bank Limited, to fund increased working capital requirements.

### FIXED DEPOSITS:

Your Company continued accepting fixed deposits from shareholders, friends, the relatives of directors and business associates which stood at an amount of ₹ 2.98 crores, against ₹ 3.58 crores at the end of previous fiscal year. The Company had paid timely

interest payment on all fixed deposits. There is no unclaimed Fixed Deposit as on 31st March, 2011.

**DIRECTORS:**

1. In accordance with the requirement of the Companies Act, 1956, Mr. Mahendra C. Sheth and Mr. Bhupendra P. Dusara are liable to retire by rotation but are eligible for re-appointment.
2. Re-appointment of Executive Director:  
Pursuant to the recommendation of Remuneration Committee, the Board of Directors at its meeting held on 31st July 2010, approved, subject to the approval of shareholders, the re-appointment of Mr. Neeraj M. Munjal as an Executive Director for a period of 3 years with effect from 27th October, 2010 to 26th October, 2013.

**COMPLIANCE CERTIFICATE:**

Since the Paid up Share Capital of the Company is below ₹ 5 crores, it was mandatory for the Company to obtain a Compliance Certificate from a Practising Company Secretary. Accordingly, the Compliance Certificate issued by a Practising Company Secretary is annexed to this Report.

**AUDITORS:**

M/s. Shah & Co., Chartered Accountants, the present Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them as the Statutory Auditors of the Company until the conclusion of the next Annual General meeting. M/s. Shah & Co., have under Section 224 (1B) of the Companies Act, 1956, furnished the certificate of their eligibility for re-appointment. The Board of Directors recommends appointment of M/s. Shah & Co., Chartered Accountants as a Statutory Auditors of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the management, confirm that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that year;
- c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts for the year ended 31st March, 2011 on a going concern basis.

**PARTICULARS OF EMPLOYEES:**

None of the employees employed throughout the financial year ended 31st March, 2011, was in receipt of remuneration exceeding the limits laid down under the provisions of Section 217(2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Details of energy conservation, technology absorption and foreign exchange earnings and outgo along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are given in Annexure forming part of this Report.

**ACKNOWLEDGEMENTS:**

The Directors wish to place on record the encouragement and co-operation received by the Company from shareholders, bankers and financial institutions during the year. Your Directors also thank all customers and suppliers for the confidence they have reposed in your Company. The Directors wish to place on record, once again, their appreciation for the dedication and commitment displayed by the employees at all levels for the excellent performance of the Company.

FOR AND ON BEHALF OF THE BOARD

Mumbai  
27<sup>th</sup> May, 2011

**Neeraj M. Munjal**  
Executive Director

**Harshad B. Desai**  
Executive Director



**ANNEXURE TO DIRECTORS' REPORT****Conservation of Energy:**

- a) The following Energy conservation measures are taken on continuing basis:
1. Regular preventive maintenance of all equipment for better efficiency;
  2. Improvement of electrical power load factor;
  3. Systematic study of power consumption of various moulding machines and other machines; and
  4. Optimize the use of energy through improved operational methods.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:  
The Company is however, carrying on continuous education and awareness program for its employees through internal and external agencies for energy conservation. Erstwhile Mipak Polymers Limited installed Wind Power Generator of 0.1 MW which was operational for the entire year and met the power requirement of unit in Gujarat. Investment in moulding machines have been made keeping in mind the state-of-the-art imported machines available which will help in conserving energy. Further, no major specific investment proposals are envisaged.
- c) Impact of the measures on the cost of production of goods:  
The above mentioned measures have resulted in energy saving and subsequent reduction in energy cost and hence in cost of production.

**FORM A**

Form for Disclosure of particulars with regard to Consumption of Energy:

**A. Power and Fuel Consumption:**

ELECTRICITY		2010-11	2009-10
a.	Purchased - Units ('000 Kwh)	19,044	12,320
	Total Amount (₹ in Lacs)	771.78	512.90
	Rate/Unit (₹)	4.05	4.16
b.	Own Generation Through Diesel Generator - Units ('000 Kwh)	381	578
	Units per ltr. of diesel oil	2.53	2.91
	Cost/ Unit (₹)	15.44	11.29
c.	Own Generation Through Wind Farm - Units ('000 Kwh)	364	171
	Total Amount (₹ in Lacs)	18.71	7.99
	Rate/Unit (₹)	5.14	4.66

**B. Consumption per unit of Production:**

	2010-11	2009-10
KWH/Kg.	2.23	2.26

**FORM B**

Disclosure of particulars with respect to Technology Absorption:

Research and Development (R & D):

**1 Specific areas in which R & D carried out by the Company**

The Company is developing new products and upgrading its existing products based on evolving requirement of end-user and also their packaging to meet the changing market taste/profile.

Management believes that continuous effort to establish a strong performance in the fields of R & D vis-à-vis product and process development are of paramount importance to preserve and strengthen the competitive position, the Company holds in FMCG packaging segment. The specific areas in which R & D is carried out include, increasing cavity of the moulds.

**2 Benefits derived as a result of the above R & D:**

It helped the Company to lower cycle time and reduction in manpower.

## 3 Future plan of action:

Improving parameters for moulding process to enhance the production without increasing corresponding cost.

## 4 Expenditure on R &amp; D during the year is as follows:

(₹ in Lacs)

Particulars	2010-11	2009-10
(a) Capital	--	--
(b) Recurring	<b>13.67</b>	12.44
Total	<b>13.67</b>	12.44
Total R & D expenditure as a % of turnover	<b>0.10%</b>	0.15%

## Technology absorption, adaptation and innovation:

1.	Efforts, in brief, made towards technology absorption, adoption and innovation.	Design & Development team of the Company successfully could make product and mould design based on specifications and requirements from our valued customers.
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	It helped the Company in increasing its share in packaging of FMCG products offered based on specific needs of the customers.
3.	Information regarding technology imported during the last five years.	Not applicable.

## Foreign Exchange earnings and outgo:

Details of earnings and expenditure in foreign currency have been given separately in Schedule 'O' Notes to Accounts.

FOR AND ON BEHALF OF THE BOARD

Mumbai  
27<sup>th</sup> May, 2011

**Neeraj M. Munjal**  
Executive Director

**Harshad B. Desai**  
Executive Director

## COMPLIANCE CERTIFICATE

(Under Section 383A (1) of the Companies Act, 1956)

The Members,  
**CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**  
 (Formerly known as Clear Plastics Limited)  
 Mumbai

We have examined the necessary registers, records, books and papers of CLEAR MIPAK PACKAGING SOLUTIONS LIMITED as required to be maintained under the Companies Act, 1956 ('the Act'), and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company had filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of the Companies, Maharashtra, Mumbai or such other authorities as required under the Act and the rules made thereunder with additional filing fees in case of delay.
3. The status of the Company, being Public Limited Company, comments are not invited.
4. The Board of Directors duly met 8 (Eight) times for meetings held on 08.05.2010, 02.06.2010, 26.06.2010, 31.07.2010, 13.11.2010, 26.11.2010, 05.02.2011 and 24.03.2011 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to and did not close its Register of Members during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 04th September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. 3 (three) Extraordinary General Meetings were held on 28th May, 2010, 23rd July, 2010 and 28th February, 2011, during the financial year under review, after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loan in violation of the provisions of Section 295 of the Act.
9. The Company has not entered into any transaction in violation of the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the Register as required under Section 301 of the Act.
11. As there were no instances falling within the purview of provisions of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, Members or the Central Government.
12. The Company has not issued any duplicate certificates during the financial year under review.
13. The Company has:
  - (i) Delivered all the certificates on allotment of shares in compliance with the provisions of the Act. The Company has not had any instances of registration of transfer / transmission of shares during the financial year under review;
  - (ii) not declared any dividend during the year and hence the Company was not required to deposit any amount as unpaid dividend / interim dividend in a separate Bank Account;
  - (iii) not declared any dividend during the year and hence the Company was not required to pay / post warrants to any members of the Company;
  - (iv) no amount to be transferred in to the Investor Education and Protection Fund in respect of unpaid dividend account or application money due for refund, or matured deposits, or matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;
  - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. The Company had appointed Mr. Jatin R. Shah as an Additional Director during the period under review. There was no appointment of alternate directors and directors to fill casual vacancies during the financial year under review.

15. Mr. Neeraj Munjal was a Wholetime Director on the Board of Mipak Polymers Limited (Transferor Company) and pursuant to the Order dated May 7, 2010 of the Hon'ble High Court, Judicature at Bombay, sanctioning the Scheme of Amalgamation of Mipak Polymers Limited (Transferor Company) with Clear Mipak Packaging Solutions Limited (formerly known as Clear Plastics Limited) (Transferee Company) (hereinafter referred as 'the Scheme'), the Company has appointed Mr. Neeraj Munjal as a Wholetime Director for residual period of his original appointment. Further, on the expiry of his term of office, the Company has re-appointed Mr. Neeraj Munjal as a Wholetime Director during the period under review and complied with the provisions of the Act. The Company has not appointed any new Managing Director / Manager during the financial year under review.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. The Company has obtained approval of Hon'ble High Court, Judicature at Bombay, for Scheme of Amalgamation of Mipak Polymers Limited (Transferor Company) with Clear Mipak Packaging Solutions Limited (formerly known as Clear Plastics Limited) (Transferee Company) and received an Order dated May 7, 2010. Pursuant to the said Scheme of Amalgamation, the Company has obtained approval of Central Government (powers delegated to Registrar of Companies) for change of name of the Company under Section 21 of the Act w.e.f. June 1, 2010 and for Alteration in Object Clause of Memorandum of Association of the Company w.e.f. July 23, 2010. Save and Except aforesaid approvals, the Company was not required to obtain any other approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has issued and allotted 9,49,512 Equity Shares of ₹ 10/- each in accordance with the Scheme during the financial year under review. Save and except aforesaid allotment, the Company has not issued any debentures or other securities during the year under review.
20. The Company has not bought back any shares during the financial year ending 31st March, 2011.
21. The Company has not redeemed any Preference Shares / Debentures during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares during the financial under review.
23. The Company has complied with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 in respect of deposits accepted by the Company during the year and the Company has filed the copy of Statement in lieu of Advertisement with the Registrar of Companies, Maharashtra, Mumbai on September 9, 2010 and February 8, 2011. The Company has also filed return of deposit with the Registrar of Companies, Maharashtra, Mumbai.
24. The amount borrowed by the Company from Holding Company, Public Financial Institutions, Bank and others during the financial year ending 31st March, 2011 are within the borrowings limits of the Company.
25. The Company has retained investments in other bodies corporate, in compliance with the provisions of the Act. The Company has made necessary entries in the register kept for the purpose. The Company has not given loan, guarantee or provided securities to other bodies corporate during the financial year under review.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the financial year under review.
27. In accordance with the Scheme, the Company has altered Object Clause of Memorandum of Association of the Company during the financial year under review.
28. In accordance with the Scheme, the Company has altered Name Clause of Memorandum of Association of the Company during the financial year under review.
29. In accordance with the Scheme, the Company has altered the provisions of the Memorandum of Association with respect to Share Capital of the Company during the financial year under review.
30. In accordance with the Scheme, the Company has altered the provisions of the Articles of Association during the financial year under review.
31. As explained to us, there was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the Company during the financial year under review.
32. The Company has not received any money as security from its employees during the financial year under review.
33. The Company has deposited both employees and employer's contribution towards provident fund as required under the provisions of Section 418 of the Act, during the financial year under review.

**For Keyul M. Dedhia & Associates**  
Company Secretaries

Mumbai  
27<sup>th</sup> May, 2011

**Keyul M Dedhia**  
Proprietor  
A.C.S. No. 22761 C. P. No : 8618

**Annexure – A**

Sr. No.	Registers kept and maintained by the Company	Under Section
1.	Register of Charges	143
2.	Register of Members	150
3.	Minutes Books of proceedings of: 1. Board Meetings 2. General Meetings	193
4.	Register of contracts, companies and firms in which directors are interested	301
5.	Register of Directors, Managers and Secretary	303
6.	Register of Directors Shareholdings	307
7.	Register of Investments or loans made, guarantee or security provided	372A
8.	Register of Deposits	Companies (Acceptance of Deposit) Rules, 1975
9.	Register of Share Application and Allotment	Voluntary
10.	Register of Share Transfer	Voluntary

**Annexure - B**

Sr. No.	Form No.	Section	Purpose	SRN & Date of Filing
1.	Form 1A	21	Application for availability of name for Change of Name.	A84843564 11.05.2010
2.	Form 23 Dtd : 28.05.2010	21	Change of Name of the Company.	A86125606 29.05.2010
3.	Form 1B Dtd : 28.05.2010	21	Application for Change of Name.	A86126356 29.05.2010
4.	Form 21 Dtd.: 07.05.2010	391 / 394	Order of Hon'ble High Court, Judicature at Bombay for Approval of Scheme of Amalgamation.	A86201159 31.05.2010
5.	Form 62 Return of Deposit Dtd.: 31.03.2010	58A and Rule 10 of the Companies (Acceptance of Deposit) Rules, 1975	Return of Deposit for the period April, 2009 to March, 2010.	A88137104 30.06.2010
6.	Form 32 Dtd : 02.06.2010	303(2)	Appointment of Mr. Neeraj Munjal, Wholetime Director.	A88227137 01.07.2010
7.	Form 32 Dtd : 26.06.2010	303(2)	Appointment of Mr. Jatin R . Shah as an Additional Director.	A89807929 23.07.2010
8.	Form 23 Dtd : 23.07.2010	17(1) & 18(1)	Alteration in Object Clause of Memorandum of Association of the Company.	A90046137 27.07.2010
9.	Form 2 Dtd : 26.06.2010	75	Allotment of 949,512 Equity Shares.	A91462242 14.08.2010
10.	Form 8 Dtd : 16.07.2010	125/135	For Creation / Modification of Charge.	A91837435 19.08.2010
11.	Form 1AA Dtd : 30.07.2010	5(f)	Appointment of Mr. Patrick Meinrad as a Officer in default	A92841865 30.08.2010



Sr. No.	Form No.	Section	Purpose	SRN & Date of Filing
12.	Form 62 Statement in lieu of Advertisement Dtd.: 05.09.2010	58A and Rule 4A of the Companies (Acceptance of Deposit) Rules, 1975	As per Companies (Acceptance of Deposit) Rules, 1975.	A93694263 09.09.2010
13.	Form 32 Dtd : 04.09.2010	303(2)	Change in Designation of Mr. Jatin R Shah from Additional Director to Director.	A93960524 14.09.2010
14.	Form 66 (Compliance Certificate for the financial year ended 31.03.2010)	383A	As per Companies (Issue of Compliance Certificate) Rules, 2001.	P53267209 30.09.2010
15.	Form 23AC / Form 23ACA (Annual Accounts for financial year ended 31.03.2010)	220	As per requirements of the Act.	P53276226 30.09.2010
16.	Form 20B (Annual Return) Dtd.: 04.09.2010	159	As per requirements of the Act.	P55133755 20.10.2010
17.	Form 62 Statement in lieu of Advertisement Dtd.: 15.02.2011	58A and Rule 4A of the Companies (Acceptance of Deposit) Rules, 1975	As per Companies (Acceptance of Deposit) Rules, 1975.	B05055603 08.02.2011
18.	Form 25C Dtd : 27.10.2010	269(2) and Schedule XIII	Re-Appointment of Mr. Neeraj Munjal, Wholetime Director.	B05056460 08.02.2010
19.	Form 8 Dtd : 14.12.2010	125/135	For Creation / Modification of Charge.	B05446646 12.02.2011
20.	Form 23 Dtd : 28.02.2011	293(1)(d) & 293(1)(a)	As per the requirement of the Act.	B06953046 03.03.2011
21.	Form 17 Dtd : 24.03.2011	138	Satisfaction of Charge (Charge ID no : 80014027).	B08823361 28.03.2011
22.	Form 17 Dtd : 28.03.2011	138	Satisfaction of Charge (Charge ID No : 10008449).	B08953440 30.03.2011
23.	Form 22B	187C(4)	As per the requirement of the Act.	B11791688 09.05.2011

For **Keyul M. Dedhia & Associates**  
Company Secretaries

**Keyul M Dedhia**  
Proprietor

A.C.S. No. 22761 C. P. No : 8618

Mumbai  
27<sup>th</sup> May, 2011

**AUDITORS' REPORT TO THE MEMBERS OF CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**

We have audited the attached Balance Sheet of CLEAR MIPAK PACKAGING SOLUTIONS LIMITED ('the Company') as at 31st March 2011, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our Opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the Directors of the Company as at 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the prescribed manner and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 2011;
    - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date;
- And;
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Shah & Co.**  
Chartered Accountants  
FRN: 109430W

Mumbai  
27<sup>th</sup> May, 2011

**A. H. SHAH**  
Partner  
M. No. 103750

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF CLEAR MIPAK  
PACKAGING SOLUTIONS LIMITED FOR THE YEAR ENDED 31ST MARCH 2011**

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and location of the Fixed Assets.
- (b) The Company has a regular programme of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- 2 (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
- 3 The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register required to be maintained under Section 301 of the Act.
- 4 In our opinion, and according to the information and explanations given to us, there is an adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of audit.
- 5 (a) According to the information and explanations given to us, the particulars of all contracts and arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the contracts and arrangements entered in the register maintained under Section 301 of the Act, have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 We are informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the Company's products.
- 9 (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted /accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

There were no dues on account of Cess under Section 441A of the Act, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

- (b) According to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes.

Name of the Statute	Nature of dues	Assessment Year	Amount (₹ in Lacs)	Forum where dispute is pending
Income Tax	IT matters under dispute	A.Y 2002-2003	41.60	Tribunal
		A.Y 2003-2004	44.64	Tribunal
			24.33	High Court
			24.11	CIT(A)
		A.Y 2004-2005	6.58	High Court
		A.Y 2007-2008	13.12	CIT(A)
		A.Y 2008-2009	46.36	CIT(A)
Total			200.74	

- 10 The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- 11 The Company has not defaulted during the year in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 As the Company is not a chit fund, nidhi, mutual benefit fund or society, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14 As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 15 The Company has not given any guarantees during the year.
- 16 The term loans obtained during the year are applied for the purpose for which it was obtained.
- 17 According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short time basis has not been used for long term investment.
- 18 During the year, the Company has not made any preferential allotment of shares to company, firms or parties covered in the register maintained under section 301 of the Act.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised any money by way of public issue during the year.
21. As per the information and explanation given to us no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For Shah & Co.**  
Chartered Accountants  
FRN: 109430W

Mumbai  
27<sup>th</sup> May, 2011

**A. H. SHAH**  
Partner  
M. No. 103750

**CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**  
**BALANCE SHEET 31ST MARCH, 2011**

	Schedule	As At 31.03.2011 (₹ in Lacs)	As At 31.03.2010 (₹ in Lacs)
<b><u>FUNDS EMPLOYED</u></b>			
<i>SHAREHOLDERS' FUNDS</i>			
Share Capital	A	<b>447.17</b>	354.06
Reserves & Surplus	B	<b>6,541.04</b>	5,181.51
		<b>6,988.21</b>	5,535.57
<i>LOANS</i>			
Secured Loans	C	<b>3,112.49</b>	2,565.09
Unsecured Loans		<b>297.71</b>	358.56
		<b>3,410.20</b>	2,923.65
<i>DEFERRED TAX LIABILITY</i> (Refer Note No.15 of Schedule 'O')		<b>304.99</b>	288.94
<b>TOTAL</b>		<b>10,703.40</b>	8,748.16
<b><u>APPLICATION OF FUNDS</u></b>			
<i>FIXED ASSETS</i>			
Gross Block	D	<b>9,495.11</b>	7,785.27
Less : Depreciation/Amortisation		<b>4,104.71</b>	3,433.21
Net Block		<b>5,390.40</b>	4,352.06
Capital Work in Progress		<b>738.41</b>	470.65
		<b>6,128.81</b>	4,822.71
<i>INVESTMENTS</i>	E	<b>11.00</b>	11.00
<i>CURRENTS ASSETS, LOANS AND ADVANCES</i>			
Inventories		<b>2,153.06</b>	1,449.85
Sundry Debtors		<b>3,082.81</b>	2,766.09
Cash and Bank Balances		<b>334.41</b>	279.13
Loans and Advances		<b>652.66</b>	642.39
		<b>6,222.94</b>	5,137.46
<i>Less : CURRENT LIABILITIES AND PROVISIONS</i>	G	<b>1,632.47</b>	1,197.71
Current Liabilities		<b>26.88</b>	25.30
Provision		<b>1,659.35</b>	1,223.01
<b>NET CURRENT ASSETS</b>		<b>4,563.59</b>	3,914.45
<b>TOTAL</b>		<b>10,703.40</b>	8,748.16
Significant Accounting Policies	N		
Notes on Accounts	O		

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
27<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Harshad Desai**  
Executive Director

**Patrick Meinrad**  
Compliance Officer

Mumbai  
27<sup>th</sup> May, 2011

**Neeraj Munjal**  
Executive Director



**CLEAR MIPAK PACKAGING SOLUTIONS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	Schedule	Year 2010-11 (₹ in Lacs)	Year 2009-10 (₹ in Lacs)
<b><u>INCOME</u></b>			
<b><u>Sales :</u></b>			
Domestic (Net of Returns)		<b>14,830.60</b>	8,720.35
Export		<b>138.25</b>	7.71
Gross Sales		<b>14,968.85</b>	8,728.06
Less : Excise Duty Paid		<b>874.54</b>	401.17
Sales (Net of Excise Duty)		<b>14,094.31</b>	8,326.89
Other Income	H	<b>147.08</b>	112.07
		<b>14,241.39</b>	8,438.96
<b><u>EXPENDITURE</u></b>			
Material Cost	I	<b>8,948.91</b>	5,118.36
Manufacturing Expenses	J	<b>1,995.66</b>	1,207.86
Employee Cost	K	<b>846.93</b>	620.78
Administrative and Selling Expenses	L	<b>766.01</b>	461.09
		<b>12,557.51</b>	7,408.09
GROSS PROFIT BEFORE INTEREST , DEPRECIATION & TAX		<b>1,683.88</b>	1,030.87
Less: Interest	M	<b>364.04</b>	314.21
PROFIT BEFORE DEPRECIATION AND TAX		<b>1,319.84</b>	716.66
Less: Depreciation/ Amortisation	D	<b>689.51</b>	508.01
PROFIT BEFORE TAX		<b>630.33</b>	208.65
Less: Provision for Taxation			
Current Tax		<b>187.10</b>	50.00
Deferred Tax (Refer Note no. 15 of Schedule 'O' )		<b>16.06</b>	51.53
PROFIT AFTER TAX		<b>427.17</b>	107.12
Add : Balance brought forward from previous year		<b>924.47</b>	524.09
P&L Balance of Mipak on Amalgamation		-	293.26
Amount Available for Appropriations		<b>1,351.64</b>	924.47
<b><u>APPROPRIATIONS</u></b>			
Balance carried to Balance Sheet		<b>1,351.64</b>	924.47
Earning Per Share (₹) Basic and Diluted (Refer Note No. 18 in Schedule 'O')		<b>10.19</b>	4.99
Significant Accounting Policies	N		
Notes on Accounts	O		

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
27<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Harshad Desai**  
Executive Director

**Patrick Meinrad**  
Compliance Officer

Mumbai  
27<sup>th</sup> May, 2011

**Neeraj Munjal**  
Executive Director

**CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011  
(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

	YEAR 2010-11 (₹. in Lacs)	YEAR 2009-10 (₹. in Lacs)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra-ordinary Item	630.33	208.65
Adjustments for :		
Depreciation/Amortisation	689.51	508.01
Loss/(Profit) on Sale of Fixed Assets	(25.99)	(28.69)
Interest Expense	364.04	314.21
Interest income	(12.86)	(6.98)
<b>Operating Profit before working capital changes</b>	<b>1,645.03</b>	<b>995.20</b>
<b>Adjustments for :</b>		
Trade Receivables	(316.71)	(546.53)
Other Receivables	32.07	(25.52)
Inventories	(703.21)	(463.02)
Trade Payables	439.36	205.09
<b>Cash Generated from Operations</b>	<b>1,096.54</b>	<b>165.22</b>
Income Tax Paid	(226.51)	(69.86)
<b>Net Cash Flow from Operations</b>	<b>870.03</b>	<b>95.36</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,494.64)	(816.48)
Sale of Fixed Assets	525.00	82.16
Interest Received	9.93	5.91
Cash inflow on acquisition of MIPAK	-	139.16
<b>Net Cash used in Investing Activities</b>	<b>(1,959.71)</b>	<b>(589.25)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Capital Subsidy received	30.00	-
Proceeds from issue of Equity Shares	93.11	93.11
Share Premium on Issue of Equity Shares	912.47	1,396.64
Stamp Duty paid on Amalgamation	(10.11)	-
Proceeds from Long Term Borrowings	61.06	109.99
Repayment of Long Term Borrowings	(60.85)	(662.85)
Proceeds from/ (Repayment of) Cash Credit	486.34	249.04
Proceeds from Short Term Borrowings	-	217.12
Repayment of Short Term Borrowings	-	(385.00)
Interest Paid	(367.06)	(304.92)
<b>Net Cash used in Financing Activities</b>	<b>1,144.96</b>	<b>713.13</b>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	<b>55.28</b>	<b>219.24</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>279.13</b>	<b>59.89</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>334.41</b>	<b>279.13</b>

Note : Cash and Cash Equivalents at the end of the period include Bank Guarantee Deposits with Banks of ₹ 86.43 Lacs (previous year ₹ 86.43 Lacs )

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
27<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Harshad Desai**  
Executive Director

**Patrick Meinrad**  
Compliance Officer

Mumbai  
27<sup>th</sup> May, 2011

**Neeraj Munjal**  
Executive Director

**CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**

## SCHEDULES FORMING PART OF THE ACCOUNTS

**SCHEDULE "A": SHARE CAPITAL****AUTHORISED:**

95,00,000 Equity Shares of ₹ 10/- each (Previous Year 95,00,000)

As At 31.03.2011 (₹ in Lacs)	As At 31.03.2010 (₹ in Lacs)
------------------------------------	------------------------------------

950.00	950.00
<b>950.00</b>	<b>950.00</b>

**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

44,71,700 Equity Shares of Rs.10/- each fully paid (Previous Year 44,71,700)  
 [Include 18,62,188 Equity Shares of ₹ 10/- each issued on 27th March, 2010]  
 [Out of the above, 26 83,020 Equity Shares are held by parent company Viz.  
 Hitech Plast Ltd.]

447.17	354.06
<b>447.17</b>	<b>354.06</b>

**SCHEDULE "B" : RESERVES & SURPLUS**

Capital Subsidy

30.00	-
-------	---

Capital Reserve

As per last Balance Sheet

237.32	109.20
--------	--------

Add: Received on account of Merger

-	128.12
---	--------

Total

<b>237.32</b>	<b>237.32</b>
---------------	---------------

Capital Redemption Reserve

As per last Balance Sheet

210.20	160.20
--------	--------

Add: Received on account of Merger

-	50.00
---	-------

<b>210.20</b>	<b>210.20</b>
---------------	---------------

Share Premium

As per last Balance Sheet

3,619.62	1,498.40
----------	----------

Add: Received on account of Merger

-	724.58
---	--------

Add : Premium on equity shares issued during the year

912.47	1,396.64
--------	----------

<b>4,532.09</b>	<b>3,619.62</b>
-----------------	-----------------

General Reserve

As per last Balance Sheet

189.90	-
--------	---

Add: Received on account of Merger

-	189.90
---	--------

<b>189.90</b>	<b>189.90</b>
---------------	---------------

Profit and Loss Account

As per last Balance Sheet

-	-
---	---

Add: Profit for the year

924.47	817.35
--------	--------

427.17	107.12
--------	--------

1,351.64	924.47
----------	--------

10.11	-
-------	---

<b>1,341.53</b>	<b>1,848.94</b>
-----------------	-----------------

<b>6,541.04</b>	<b>6,105.98</b>
-----------------	-----------------

**SCHEDULE "C" : SECURED AND UNSECURED LOANS****SECURED LOANS:****i) Long Term :**

Term Loans from Bank (Refer note 1)

770.88	709.82
--------	--------

(Payable within one year ₹ 278.51 Lacs, Previous year ₹ 433.52 Lacs )

**ii) Short Term:**

Cash Credit Accounts (Refer Note No.2)

2,341.61	1,855.26
----------	----------

<b>3,112.49</b>	<b>2,565.08</b>
-----------------	-----------------

**UNSECURED LOANS:****Long Term :**

Fixed Deposits

a) Directors

b) Others

(Payable within one year ₹ 223.60 lacs, Previous year ₹ 230.01 Lacs)

-	-
---	---

297.71	358.56
--------	--------

297.71	358.56
--------	--------

<b>3,410.20</b>	<b>2,923.64</b>
-----------------	-----------------



**Schedules Forming Part of the Accounts : (Continued)**

**As At**  
**31.03.2011**  
(₹ in Lacs)

**As At**  
**31.03.2010**  
(₹ in Lacs)

**Note No.1**
**1) Term Loans from Bank**
**a) Kotak Mahindra Bank Limited**

Exclusive First charge on existing and future land, building and immovable plant and machinery of the borrower

**500.00**

67.57

Hypothecation by way of first & exclusive charge on all existing and future current assets and existing and future movable plant and machinery of the Borrower including movable plant and machinery of Plastic & Precision Machinefabrik Division.

(Payable within one year ₹ 76.92 Lacs, Previous year ₹ 67.57 Lacs)

**b) Kotak Mahindra Bank Limited**

Exclusive charge on land & building and movable and immovable plant & machinery (existing and future). Mortgage to be created on Uttaranchal within 45 days.

**76.00**

207.23

Hypothecation by way of first & exclusive charge on current assets of the Borrower (existing and future) including movable plant and machinery of Plastic & Precision Machinefabrik (division of the Borrower) and Uttaranchal project.

(Payable within one year ₹ 76.00 Lacs, Previous year ₹ 125.81 Lacs)

**c) Kotak Mahindra Bank Limited**

First & Exclusive charge on all existing and future current assets of the Borrower Charge to be registered with ROC vide Form 8.

**194.88**

435.02

Second charge on all movable fixed assets, present & future of the borrower. Search Report to be found satisfactory and acceptable to the Bank and charge to be registered with ROC vide Form 8.

Second charge by way of Equitable Mortgage on the immovable properties

(Payable within one year ₹ 125.59 Lacs, Previous year ₹ 240.14 Lacs)

**Note No.2 :**

Short Term Loans from the Banks and Cash Credit Accounts are secured by hypothecation of inventories, book debts and other current assets.

**Schedule "D" : FIXED ASSETS**

(₹ in Lacs)

Particulars	Gross Block				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions during the Year	Deductions and /or adjustments	As at 31.03.2011	As at 01.04.2010	Additions / Amortization during the Year	Deductions and /or adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>Tangible Assets :</b>										
Freehold Land	131.56	834.86	450.43	<b>515.99</b>					<b>515.99</b>	131.56
Leasehold Land	204.56	138.96		<b>343.52</b>	6.48	3.26		<b>9.74</b>	<b>333.78</b>	198.08
Buildings	2,136.92	30.51		<b>2,167.43</b>	746.38	138.07		<b>884.45</b>	<b>1,282.98</b>	1,390.54
Moulds	1,076.65	224.72	45.26	<b>1,256.11</b>	834.57	132.30	4.14	<b>962.73</b>	<b>293.38</b>	242.08
Plant & Machinery	3,946.26	933.19	18.88	<b>4,860.57</b>	1,679.23	383.66	11.49	<b>2,051.40</b>	<b>2,809.17</b>	2,267.03
Furniture	111.55	28.69		<b>140.24</b>	53.15	10.73		<b>63.88</b>	<b>76.36</b>	58.40
Leasehold Improvements		0.96		<b>0.96</b>		0.04		<b>0.04</b>	<b>0.92</b>	
Computers	47.12	13.97		<b>61.09</b>	32.48	6.20		<b>38.68</b>	<b>22.41</b>	14.64
Office Equipments	44.02	7.91		<b>51.93</b>	22.78	3.26		<b>26.04</b>	<b>25.89</b>	21.24
Vehicles	68.44	10.44	2.46	<b>76.42</b>	47.88	5.61	2.38	<b>51.11</b>	<b>25.31</b>	20.56
<b>Intangible Assets :</b>										
Software	14.82	2.66		<b>17.48</b>	8.27	5.99		<b>14.26</b>	<b>3.22</b>	6.55
Patent	3.37			<b>3.37</b>	1.99	0.39		<b>2.38</b>	<b>0.99</b>	1.38
<b>TOTAL</b>	<b>7,785.27</b>	<b>2,226.87</b>	<b>517.03</b>	<b>9,495.11</b>	<b>3,433.21</b>	<b>689.51</b>	<b>18.01</b>	<b>4,104.71</b>	<b>5,390.40</b>	<b>4,352.06</b>
Previous Year	6,952.70	929.40	96.83	7,785.27	2,963.83	508.01	38.63	3,433.21	4,352.06	

**CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**

## SCHEDULES FORMING PART OF THE ACCOUNTS

**SCHEDULE "E": INVESTMENTS****Long Term Investments  
unquoted (at cost)**

11,000 Equity Shares of ₹ 100/- each, fully paid-up in Ho-Plast Pvt. Ltd.

Total Long Term Unquoted Investment

As At 31.03.2011 (₹ in Lacs)	As At 31.03.2010 (₹ in Lacs)
------------------------------------	------------------------------------

11.00	11.00
-------	-------

11.00	11.00
-------	-------

**SCHEDULE "F": CURRENT ASSETS, LOANS AND ADVANCES****CURRENT ASSETS :****Inventories:***(as taken, valued and certified by Management)*

a. Packing Materials	84.51	71.27
b. Raw Materials	1,322.98	809.03
c. Finished Goods	547.65	437.41
d. Work-in-Progress	196.62	132.05
e. Consumables, Stores & Spares	1.30	0.09
	<u>2,153.06</u>	<u>1,449.85</u>

**Sundry Debtors (Unsecured)**

a. Outstanding for more than six months  
considered good

b. Other Debts

considered good  
considered doubtful

Less: Provision for doubtful debts

**Cash and Bank Balances:**

a. Cash in hand

b. With Scheduled Banks

(i) Current Accounts

(ii) Term Deposits

(Bank guarantee- ₹ 86.43 lacs, P.Y. ₹ 86.43 lacs)

**LOANS AND ADVANCES :***(Unsecured, considered good)*

a. Balances with Customs, Central Excise etc.

b. Sundry deposits

c. Advances recoverable in cash or kind

d. Loans to Staff

e. Advance Payments of Taxes (Net of provision for Tax of ₹ 560.13 lacs;  
P.Y. ₹ 373.02 lacs)

**SCHEDULE "G": CURRENT LIABILITIES AND PROVISIONS****CURRENT LIABILITIES:***(i) Sundry Creditors*

Dues to Micro &amp; Small Enterprises [Refer Note No.13 in Schedule 'O']

Others

*(ii) Other Liabilities*

(a) Employees (Including ₹ 6.90 Lacs due to Executive Director  
Previous year ₹ 7.00 Lacs due to Executive Director)

(b) Others (Including ₹ 1.05 Lacs due to Non-Executive Directors  
Previous year ₹ 0.90 Lacs due to Non-Executive Directors)

**PROVISIONS :**

(i) Defined benefit obligations (Refer Note 15 in Schedule 'O')

(ii) Provision for accrued leave



**CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**  
**SCHEDULES FORMING PART OF THE ACCOUNTS**

	<b>Year 2010-11 (₹ in Lacs)</b>	<b>Year 2009-10 (₹ in Lacs)</b>
<b><u>SCHEDULE "H" : OTHER INCOME</u></b>		
Interest Received (Gross)	<b>12.85</b>	6.98
(TDS ₹ 1.25 lacs /-, Previous Year ₹ 0.83 lacs)		
Sale of Scrap	<b>33.53</b>	5.86
Income from Wind Power Generator	<b>18.71</b>	7.99
Interest on Income tax refund	<b>3.18</b>	-
Exchange Difference (Net)	<b>12.07</b>	4.66
Designing charges	<b>7.67</b>	12.79
Profit on sale of Fixed Assets (Net)	<b>25.99</b>	28.69
Sundry balances (Net) written back	<b>9.17</b>	11.53
Sales Commission	<b>6.86</b>	17.02
Miscellaneous Income	<b>17.05</b>	16.55
	<b>147.08</b>	112.07

**SCHEDULE "I" : MATERIAL COST**

**Raw Materials Consumed:**

Opening Stock	<b>809.03</b>	361.02
Add : Purchases	<b>8,637.27</b>	5,176.98
	<b>9,446.30</b>	5,538.00
Less : Closing Stock	<b>1,322.98</b>	809.03
TOTAL	<b>8,123.32</b>	4,728.97

**Packing Materials Consumed:**

Opening Stock	<b>71.27</b>	19.91
Add : Purchases	<b>1,003.43</b>	615.12
	<b>1,074.70</b>	635.03
Less : Closing Stock	<b>84.51</b>	71.27
	<b>990.19</b>	563.76
	<b>9,113.51</b>	5,292.73

**(Increase) in finished goods and work-in-process:**

Opening Stock	<b>569.46</b>	382.94
Closing Stock	<b>744.27</b>	569.46
	<b>(174.81)</b>	(186.52)

*Increase in Excise Duty on Finished Goods* **10.21** 12.15

**8,948.91** 5,118.36

**CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**  
**SCHEDULES FORMING PART OF THE ACCOUNTS**

	<b>Year 2010-11 (₹ in Lacs)</b>	<b>Year 2009-10 (₹ in Lacs)</b>
<b><u>SCHEDULE "J" : MANUFACTURING EXPENSES</u></b>		
Processing Charges	249.99	178.51
Water, Power and Fuel	837.40	579.45
Material Handling Charges	615.07	281.29
Stores & Spares Consumed	103.01	70.06
Repairs & Maintenance -		
- to Building	24.94	12.13
- to Plant and Machinery	133.75	63.01
- Other Assets	31.50	23.41
		98.55
	<b>1,995.66</b>	<b>1,207.86</b>
<b><u>SCHEDULE "K" : EMPLOYEES COST</u></b>		
Salaries, Wages, allowances and other benefits	748.35	512.28
Staff Welfare Expenses	33.59	51.44
Contribution to Provident Fund	46.90	34.36
Defined Benfits (Gratuity) (Refer No. 17 in Schedule 'O')	18.09	22.70
	<b>846.93</b>	<b>620.78</b>
<b><u>SCHEDULE "L" : ADMINISTRATIVE AND SELLING EXPENSES</u></b>		
Freight and Handling Charges	308.09	174.73
Rent	60.31	42.48
Rates and Taxes	13.79	7.96
Insurance	13.53	10.48
Security Charges	51.44	30.54
Rebate & Discount	13.75	-
Printing and Stationery	19.56	10.85
Postage and Telephone	26.20	20.25
Travelling and Conveyance Expenses	61.20	35.32
Miscellaneous Expenses	171.56	103.99
Directors' Sitting Fees	2.49	2.06
Auditors' Remuneration	10.90	7.35
Commission to Non Executive Directors	1.05	0.90
Provision for Doubtful Debts	10.28	7.24
Bad Debts written off	1.86	6.94
	<b>766.01</b>	<b>461.09</b>
<b><u>SCHEDULE "M" : INTEREST</u></b>		
Term Loans	211.90	82.37
Cash Credit	33.14	123.76
Bill Discounted and Fixed Deposits	78.30	91.40
Bank Charges	40.70	16.68
	<b>364.04</b>	<b>314.21</b>

**SCHEDULE "N"****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN THE COMPILATION OF THE ACCOUNTS:****1. Basis for preparation of financial statements:****(a) Basis of Accounting:**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

**(b) Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements.

**2. Fixed Assets:**

(a) Fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Interest on borrowed funds directly attributable to the qualifying assets up to the period such assets are put to use, is included in the cost.

(b) Depreciation on all fixed assets is provided under Straight Line Method. The rates of depreciation prescribed in schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on following assets has been provided at rates which are higher than the corresponding rates prescribed in Schedule XIV.

Moulds	: 4 years
Furniture & Fixture	: 10 years
Computer	: 5 years
Office Equipment	: 10 years
Vehicle	: 5 years

Depreciation on Plant and Machinery is provided under Straight Line Method on triple shift basis; and on Building is provided under the Written Down Value Method, at the rates laid down in the Schedule XIV to the Companies Act, 1956.

Assets costing less than ₹ 5,000 are fully charged to the Profit and Loss Account in the year of acquisition. Leasehold land and leasehold improvements are amortised over the primary period of lease. Goodwill on amalgamation is amortised over a period of five years.

Purchase cost, user licence fees and consultancy fees for major software are amortised over a period of three years.

(c) At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exist the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss is recognized in the Profit and Loss Account.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

**3. Revenue Recognition:**

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and are net of returns. Sales are stated gross of excise duties as well as net of excise duties; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of 'material cost'.

Revenue from service is recognised on rendering of services to customers.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

**4. Lease Accounting :**

Assets taken on operating lease:

Lease rentals on assets taken on operating lease are recognized as expense in the Profit and Loss Account on an accrual basis over the lease term.

**5. Inventory :**

(a) Raw materials, work in progress, finished goods, packing materials, stores, spares and consumables are carried at the lower of cost and net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are suitably depreciated.

(b) In determining cost of raw material, packing material, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

- (c) Cost of finished goods and work-in-process includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

**6. Investments :**

Long term investments are carried at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Profit and loss on sale of Investments is determined on a first-in-first-out (FIFO) basis.

**7. Transactions in Foreign Currency:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Profit and Loss Account of the year.

Monetary assets and liabilities denominated in foreign currencies, which are outstanding as at the year end are translated at the closing exchange rate and the resultant exchange difference are recognised in the Profit and Loss Account.

The premium or discount on forward exchange contracts is recognized over the period of the contracts in the Profit and Loss Account.

**8. Sundry Debtors:**

Sundry debtors are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

**9. Employee Benefits :**

(i) Short Term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(ii) Post-employment benefits :

(a) Defined contribution plans

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognised in the Profit and Loss Account in the financial year to which they relate. The Company contributes to the Government administered provident funds on behalf of its employee.

(b) Defined benefit plans

Defined benefit gratuity plan.

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate entity (a fund), towards meeting the Gratuity obligation.

(iii) Other long term employee benefits

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

**10. Research and Development:**

(a) Capital expenditure is shown separately under respective heads of fixed assets.

(b) Revenue expenses including depreciation are charged to Profit and Loss Account under the respective heads of expenses

**11. Provision for Taxation:**

Tax expenses comprise of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

**12. Provisions and Contingencies :**

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

**13. Earnings Per Share:**

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**14. Proposed Dividend:**

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.



**SCHEDULE "O":**

**NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:**

	(₹ in Lacs)	
	<b>2010-2011</b>	2009-2010
1. Estimated amount of contracts remaining to be executed on Capital account and not provided for.	<b>756.89</b>	277.90
2. Letter of Credit and Bank guarantees issued by bankers and Outstanding as on 31 <sup>st</sup> March, 2011.	<b>587.73</b>	323.14
3. <b>Contingent liabilities:</b>		
(a) Corporate guarantees issued by the Company to certain banks on behalf of its subsidiary		
(b) Bills Discounted (Since realized ₹ 79.22 Lacs, Previous Year ₹ 79.91Lacs)	<b>79.22</b>	79.91
(c) Claim against the company not acknowledged as debts Tax matter dispute under appeal	<b>200.74</b>	49.45
4 <b>Auditors' Remuneration:</b>		
(a) Statutory Audit Fees	<b>8.00</b>	3.38
(b) Tax Audit Fees	<b>1.00</b>	0.55
(c) Certification fees and Other Services	<b>1.18</b>	3.17
(d) Out of Pocket Expenses	<b>0.72</b>	0.25
5. <b>(a) Computation of the Profit for year ended 31<sup>st</sup> March, 2011 under Section 349 of the Companies Act, 1956</b>		
Net Profit as per Profit & Loss Account	<b>427.17</b>	107.12
Add:		
Provision for Taxation	<b>187.10</b>	50.00
Provision for Deferred tax	<b>16.06</b>	51.53
Provision for Doubtful Debt	<b>10.28</b>	7.24
(Profit)/Loss on sale of assets	<b>(25.99)</b>	(28.69)
Profit under Section 349 of the Companies Act, 1956	<b>614.61</b>	187.20
Add:-Managerial remuneration/Sitting fees	<b>74.05</b>	52.63
Profit under Section 198 of the Companies Act, 1956	<b>688.66</b>	239.83
Commission to non-executive directors:		
Subject to ceiling of 1% of profit as computed above	<b>6.89</b>	2.40
Restricted to sum as determined by the Board of Directors	<b>1.05</b>	0.90
Remuneration to Executive Directors		
Subject to a ceiling of 10% of profit as computed above	<b>68.86</b>	23.98
Amount paid / Payable by the company as remuneration for Services rendered in any capacity		
Total Remuneration actually paid*	<b>70.51</b>	49.67
<b>(b) Details of managerial remuneration under Section 198 of the Companies Act, 1956</b>		
<b>Executive Directors:</b>		
Salaries & allowances	55.23	35.56
Commission	6.90	7.00
Contribution to PF	3.47	1.83
Other perquisites and Benefits	4.91	5.28
<b>Sub Total</b>	<b>70.51</b>	49.67
Sitting fees to Non - executive Directors	2.49	2.06
Commission to Non - executive Directors	1.05	0.90
<b>Sub Total</b>	<b>3.54</b>	2.96
<b>Grand Total</b>	<b>74.05</b>	<b>52.63</b>

\* In view of inadequacy of the Profits, for the payment of Managerial Remunerations, the Section II of Part II of the Schedule XIII to the Companies Act, 1956 will be applicable. Accordingly, the Managerial Remunerations is within the limit prescribed under Schedule XIII to the Companies Act, 1956.



The above remuneration does not include contribution to gratuity fund and leave encashment/entitlement as this contribution is a lump sum amount based on actuarial valuation.

The Company depreciates certain fixed assets at higher rates of depreciation based on estimated useful lives which are lower or equal to the implicit estimated useful lives prescribed by Schedule XIV of the Companies Act, 1956. The above higher value of depreciation has been considered as deduction for the computation of managerial remuneration in (a) above.

## 6. Production:

Items	Unit	Location	Installed Capacity <sup>(1)</sup>		Production	
			As at 31 <sup>st</sup> March 2011	As at 31 <sup>st</sup> March 2010	2010-2011	2009-2010
Containers	MT	In-house <sup>(2)</sup>	11,568	11,568	8708	5708
		Contract			866	383

1. Installed capacities are as certified by the management on which auditors have relied.

2. All manufacturing units.

## 7. Stock and Turnover:

(₹ in Lacs)

		Opening Stock		Closing Stock		Turnover	
	Unit	Qty.	Value	Qty.	Value	Qty.	Value
Containers	MT	370	437.41	388	547.65	9,480	14,094.31
		(107)	(284.86)	(370)	(437.41)	(5,657)	(8,326.89)

i) Pursuant to notification no S.O 301 (E) dated 8th February 2011 issued by the Ministry of Company Affairs, disclosure of stock and turnover is provided for item which are greater than 10% of the total value of turnover.

ii) Figures in brackets are for the previous year.

## 8. Raw Material consumed:

(₹ in Lacs)

		2010-2011		2009 -2010	
	Unit	Qty.	Value	Qty	Value
Polymers & Master Batch	MT	9,997	7,489.91	6,022	4,294.95
Others			633.41		434.02
Total			8,123.32		4728.97

## 9. CIF Value of direct imports :

(₹ in Lacs)

	2010-2011	2009-2010
a. Raw Material	1,121.45	460.37
b. Capital Goods	346.91	108.20

## 10. Value of imported and indigenous raw materials and spares consumed and percentage of each to total consumption :

		2010-2011		2009-2010	
		(₹ in Lacs)	% to Total	(₹ in Lacs)	% to Total
a. Raw materials :					
Direct Imports		1,121.45	13.81	460.36	9.73
Others (including value of consumption of imported raw materials purchased through indigenous sources )		7,001.87	86.19	4,268.61	90.27
<b>Total</b>		<b>8,123.32</b>	<b>100.00</b>	<b>4,728.97</b>	<b>100.00</b>
b. Stores and Spares :					
Direct Imports		-	-	-	-
Others		103.01	100.00	70.06	100.00
<b>Total</b>		<b>103.01</b>	<b>100.00</b>	<b>70.06</b>	<b>100.00</b>

**11. Expenditure in foreign currency :**

(₹ in Lacs)

	2010-2011	2009-2010
Travelling Expenses	1.66	0.95

**12. Earnings in foreign currency :**

(₹ in Lacs)

	2010-2011	2009-2010
Export at FOB value	132.18	7.70
Other Receipts	Nil	Nil

13. There are no Micro and small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Disclosures under the Micro and small Enterprises Development Act, 2006 are provided as under for the year 2010-11, to the extent the company has received intimations from the suppliers regarding their status under Act as on 31-3-2011.

(₹ in Lacs)

Sr.No.		2010-11	2009-10
a)	Principal amount and separately the interest due thereon remaining unpaid to any supplier at the end of the financial year.	Nil	Nil
b)	The amount of interest paid u/s 16 of this Act, along with the amounts of payments made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment which have been paid but, beyond the appointed day during the year.	Nil	Nil
d)	The amount accrued and remaining unpaid at the end of each accounting period; i.e., principal is paid but interest has remained unpaid.	Nil	Nil
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure.	Nil	Nil

- 14 The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31<sup>st</sup> March 2011 are as under :

FY 2010 -11				FY 2009 -10			
Currency	Number of Contract	Amount	INR (₹ In Lacs)	Currency	Number of Contract	Amount	INR ( ₹ In Lacs)
USD	4	4,43,700	206.20	USD	Nil	Nil	Nil

The foreign currency exposure not hedged as at 31<sup>st</sup> March 2011 are as under :

FY 2010 -11			FY 2009 -10		
Currency	Amount	INR(₹ In Lacs)	Currency	Amount	INR(₹ In Lacs)
USD	6,54,520	295.06	USD	3,19,960.00	143.91

The foreign currency receivables as at 31<sup>st</sup> March 2011 are as under :

FY 2010 -11			FY 2009 -10		
Currency	Amount	INR(₹ In Lacs)	Currency	Amount	INR(₹ In Lacs)
USD	86,599	38.97	USD	Nil	Nil
AUD	Nil	Nil	AUD	15,288.97	6.35

15. The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS-22) – Accounting for Taxes on income.

The major components of deferred tax (liabilities)/ assets arising on account of timing difference as at 31st March, 2011 are as follows :

	(₹ in Lacs)	
	As at 31.03.2011	As at 31.03.2010
<b>Deferred tax liabilities</b>		
Difference between the Written down value / Capital work in progress of assets as per the books of account and Income Tax Act, 1961	(334.63)	(306.76)
<b>Total deferred tax liabilities</b>	(334.63)	(306.76)
<b>Deferred tax assets</b>		
Expenses allowed for tax purpose on payment basis	20.58	12.99
Provision for doubtful debts	9.06	4.83
<b>Total Deferred Tax Assets</b>	29.64	17.82
<b>Net Deferred Tax Asset / (Liability)</b>	(304.99)	(288.94)
<b>Liability taken over on Amalgamation on Mipak</b>	0.00	92.01
<b>Deferred Tax Benefit / (Expense) for the year</b>	(16.06)	(51.53)

- 16 Pursuant to Accounting Standard (AS – 19) Lease, the following information is given:

- a) The Company has taken certain assets such as cars on an operating lease basis, the lease rentals are payable by the company on a monthly basis.
- b) Future minimum lease rentals payable as at 31st March 2011 as per the lease agreements:

	(₹ in Lacs)	
	31.03.2011	31.03.2010
I) Not later than one year	1.07	NIL
II) Later than one year but not more than five years	3.11	NIL
III) Later than five years	NIL	NIL
<b>Total</b>	<b>4.18</b>	<b>NIL</b>

Lease payments recognised in the Profit and Loss Account for the period are ₹ Nil (previous year ₹ Nil ).

#### 17. Employee Benefits :

- (1) Short term employee benefits :

The liability towards short term employee benefits for the year ended 31st March 2011 has been recognised in the Profit and Loss Account.



(2) Post employee benefits :

The following disclosure are made in accordance with AS 15 (Revised) pertaining to Defined benefit Plans :

(₹ in Lacs)

Particulars	Gratuity (Funded Plan) 2010-2011	Gratuity (Funded Plan) 2009-2010
<b>Amount recognised in Balance Sheet</b>		
Present value of funded obligations	113.06	95.78
Fair Value of Plan Assets	105.70	92.16
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Amount not recognised as an asset, because of the limit in Para 50(b) of AS -15	-	-
<b>Net Liability/(Asset)</b>	<b>7.36</b>	<b>3.63</b>
<b>Amounts in Balance Sheet</b>		
Liability	7.36	3.63
Assets	-	-
<b>Net Liability/(Asset)</b>	<b>7.36</b>	<b>3.63</b>
<b>Amount recognised in the statement of Profit &amp; Loss</b>		
Opening defined benefit obligation less benefit paid		
Current service cost	12.04	6.81
Interest on defined benefit obligation	8.32	4.51
Expected return on plan assets	(8.19)	(3.41)
Net actuarial losses/(gains) recognized in year	1.43	20.61
Past Service Cost	4.18	-
Effect of the limit in Para 59(b) of AS 15 (Revised)	-	-
Losses / (gains) on 'Curtailements and Settlements'	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>17.78</b>	<b>28.53</b>
Actual return on plan assets	<b>7.16</b>	
<b>Reconciliation of benefit obligations and plan assets for the period:</b>		
<b>Change in defined benefit obligation :</b>		
<b>Opening defined benefit obligation as at 1st April</b>	95.78	76.95
Current Service Cost	12.04	6.81
Interest Cost	8.32	4.51
Actuarial (Gain)/Loss on obligations	0.40	17.21
Liabilities extinguished on curtailment	-	-
Liabilities extinguished on settlement	-	-
Liabilities assumed on acquisition	-	-
Exchange difference on foreign plans	-	-
Past Services Cost	4.18	
Benefits Paid	(7.66)	(9.69)
<b>Closing defined benefit obligation as at 31st March</b>	<b>113.06</b>	<b>95.78</b>
<b>Change in fair value of assets :</b>		
<b>Opening fair value of plan assets as at 1st April</b>	92.16	76.16
Expected return on Plan Assets	8.19	6.26
Actuarial Gain/(Loss)	(1.03)	(3.41)
Assets distributed on settlements		
Contributions by employer	14.04	22.84
Assets acquired due to acquisition		
Exchange difference on foreign plans		
Benefits Paid	(7.66)	(9.69)
<b>Closing Fair Value of Plan Assets as at 31<sup>st</sup> March</b>	<b>105.70</b>	<b>92.16</b>
<b>Investment Details (Assets information) :</b>		
GOI Securities	Nil	Nil
Public Sector Unit Bonds	Nil	Nil
State/Central Guaranteed Securities	Nil	Nil
Special Deposit Schemes	Nil	Nil
Equity Shares of Listed Companies	Nil	Nil
Property	Nil	Nil
<b>Assumptions :</b>		
Discounted Rate (per annum)	8.25%	8.00%
Estimated Rate of return on Plan Assets (per annum)	8.25%	8.00%
Rate of Escalation in Salary (per annum)	5.00%	5.50%

## Notes:–

- a) The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- b) The Company estimates that the amount to be contributed to the Gratuity fund for the financial year 2010-2011 will be ₹ 0.81 Lacs.
- c) The guidance on implementing AS – 15 (Revised) issued by Accounting Standards Board (ASB) of the institute of Chartered Accountants of India states benefit involving employer established provided funds, which require interest shortfalls to be recompensed are to be considered as defined benefits plans. Pending the issuance of the guidance note from Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the company is unable to exhibit the related information.

## (3) Long Term Employee Benefits:

The liability towards compensated absences (annual leave and sick leave) as at 31st March 2011, based on actuarial valuation carried out using the Projected Accrued Benefit Method amounting to ₹ 12.49 Lacs (Previous year – ₹ 14.14 Lacs ) has been recognised in the Profit & Loss statement.

**18.Earning Per Share :**

		(₹ in Lacs)
	2010-2011	2009-2010
a) Basic and diluted earnings per share in rupees (Face value – ₹ 10/- per share)	10.19	4.99
b) Profit after tax and prior period items as per profit and loss Accounts (₹ in Lacs)	427.16	107.12
c) Weighted average number of equity shares outstanding (Nos)	41,91,096	21,46,210

**19** Information on related party transactions as required by Accounting Standard – 18 on Related Party Disclosures for the year ended 31st March 2011.

1. Key manager person who is under the employment of the company is entitled to post employment benefits and other long term employee benefits recognised as per AS – 15 (Revised ) Employee benefits in the financial statements. As this employee benefits are lump sum amount provided on the basis of actuarial valuation, the same is not included above.

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

	(₹ in Lacs)
	2010-2011
Sale of Goods	2009-2010
Asian Paints Ltd	749.75
Purchase of Goods	485.56
Service Provided	Nil
Service Received	Nil

## 1. Relationship:

- (i) Holding Company  
Hitech Plast Ltd  
Geetanjali Trading and Investments Pvt. Ltd.

- (iii) Key Management Person :  
Mr. Harshad B. Desai  
Mr. Neeraj M. Munjal

- (ii) Fellow Subsidiaries  
Coatings Specialities (India) Ltd.  
Rangudyan Insurance Broking Services Ltd.

- (iv) Employee Benefit Fund Where Control Exists  
Clear Plastics Employees' Gratuity Trust



## 2. Related Party Transactions for Year – 2010-11 and 2009-10:

(₹ in Lacs)

Particulars	Holding Company		Fellow Subsidiary		Key Managerial Personnel		Companies controlled by Directors / Relative of Directors		Employee Benefit Plans where control exists	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sales - Hitech Plast Ltd.	97.66	72.86								
Sales to Asian Paints Ltd							749.75	485.56		
Conversion - Hitech Plast Ltd.	5.00	2.88								
Services Received	0.15									
Purchase of Raw Material- Hitech Plast Ltd.	15.00	2.65								
Sale of Raw Material- Hitech Plast Ltd.	0.68									
Purchases of Fixed Assets- Hitech Plast Ltd.	1.55									
Commission received- Hitech Plast Ltd.	6.86	3.53								
Purchase of Goods/Services										
Sale of Goods/Services - Coatings Specialities (I) Ltd.			0.03	0.19						
Services received - Coatings Specialities (I) Ltd.			42.00	32.40						
Inter Corporate Deposits recd.				45.00						
Inter Corporate Deposits repaid				45.00						
Issue of Shares including premium*	402.24	595.91								
Interest Paid - Hitech Plast Ltd.	32.49	49.19								
Interest Paid - Coatings Specialities (I) Ltd.				0.55						
Remuneration paid					70.51	49.67				
Issue of Shares including premium (Hitech Plast Ltd.)	603.34	893.84								
Balance Receivable for Goods & services										
Coatings Specialities (I) Ltd.				0.18						
Balance Receivable for Goods & services - Hitech Plast Ltd.		32.30								
Balance Payable for Goods & services				2.68						
Loan Received during the year- Hitech Plast Ltd.	2,783.63	2,038.00								
Loan given during the year - Hitech Plast Ltd.	2,783.63	2,423.00								
Balance Payable – Loan - Hitech Plast Ltd.										
Balance Receivable – Asian Paints Ltd.							15.06	10.98		
Contribution During the Year									20.91	18.81
Amount Payable									0.81	3.63

\* Ultimate holding company - Geetanjali Trading and Investments Pvt. Ltd.

- 20** As the Company's business activity falls within a single primary business segment viz., "Plastic Containers", the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting", as prescribed in the Companies (Accounting Standards) Rules, 2006, is not applicable. The capital employed in the reportable segment was ₹ 10,703.40 lacs as on 31st March, 2011 (₹ 8,748.16 lacs as on 31st March, 2010).
- 21** During the year, the company has received a subsidy amounting to ₹ 30 lacs under the Central Capital Investment Subsidy Scheme 2003, applicable to industrial units set up in the state of Himachal Pradesh. All conditions attached with the grant of subsidy have been complied with and the amount of ₹ 30 lacs has been recognised as Capital Subsidy, in accordance with the Accounting Standard (AS-12) "Accounting for Government Grants" issued by the Institute of Chartered Accountants of India.

As per our Report of even date

**For SHAH & CO.**  
Chartered Accountants  
FRN:109430W

**A. H. Shah**  
Partner  
M. No. 103750

Mumbai  
27<sup>th</sup> May, 2011

On behalf of the Board of Directors

**Harshad Desai**  
Executive Director

**Patrick Meinrad**  
Compliance Officer

Mumbai  
27<sup>th</sup> May, 2011

**Neeraj Munjal**  
Executive Director

PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

**I. Registration Details:**

Registration No. 

3	8	6	2	6
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 State Code 

1	1
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Balance Sheet Date 

3	1
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0	3
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2	0	1	1
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Date Month Year

**II. Capital raised during the year (Amount in ₹ thousand):**

Public Issue						Right Issue					
		N	I	L		1	0	0	5	5	8
Bonus Issue						Private Placement					
		N	I	L				N	I	L	

**III. Position of Mobilisation and Deployment of Funds (Amount in ₹ thousand):**

Total Liabilities							Total Assets						
1	0	7	0	3	4	0	1	0	7	0	3	4	0
SOURCES OF FUNDS							Reserves & Surplus						
Paid-Up Capital							Unsecured Loans						
		4	4	7	1	7		6	5	4	1	0	4
Secured Loans							Deferred Tax Liability						
	3	1	1	2	4	9			3	0	4	9	9
APPLICATION OF FUNDS							Investments						
Net Fixed Assets							Misc. Expenditure						
	6	1	2	8	8	1				1	1	0	0
Net Current Assets													
	4	5	6	3	5	9			N	I	L		
Accumulated Losses													
		N	I	L									

**IV. Performance of the Company (Amount in ₹ thousand):**

Turnover							Total Expenditure								
1	4	9	6	8	8	5	1	4	3	3	8	5	2		
+		-		Profit / (Loss) Before Tax			+		-		Profit/ (Loss) After Tax				
✓				6	3	0	3	3	✓		4	2	7	1	7
Earning Per Share in ₹							Dividend Rate %								
	1	0	.	1	9					N	I	L			

**V. Generic Names of Principal Products/Services of the Company (as per monetary terms)**

Item Code No. (ITC Code)	3	9	.	2	3			
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Product Description	P	L	A	S	T	I	C		M	O	U	L	D	E	D	
	P	R	O	D	U	C	T	S								

On behalf of the Board of Directors

**Harshad Desai**  
Executive Director

**Neeraj Munjal**  
Executive Director

**Patrick Meinrad**  
Compliance Officer  
Mumbai  
27<sup>th</sup> May, 2011

**REPORT ON  
CORPORATE GOVERNANCE  
&  
GENERAL SHAREHOLDER  
INFORMATION**

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**AGM NOTICE**

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance:

Corporate Governance aims at fairness, transparency, accountability and responsibility in the functioning of the Company with the ultimate objective of realizing and enhancing shareholders' values. Accordingly, your Company continuously endeavours to review, strengthen and upgrade its systems and processes so as to provide timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance.

This improves public understanding of the structure, activities and policies of the organization and it makes good impact on the society which benefits in enhancing corporate image of the Company in general public. Consequently, your Company is striving hard towards excellence through adoption of best governance and disclosure practices so that, your Company is able to attract investors and enhance the confidence of the stakeholders.

Your Company is in compliance with all the regulations stipulated by Securities Exchange Board of India (SEBI) in the Listing Agreements. This chapter, along with chapters on Management Discussion and Analysis and Additional Shareholders' Information, is in compliance with Clause 49 of the Listing Agreements.

### Board of Directors (Board):

#### A. Composition:

As on 31st March 2011, the Board comprised of 12 (Twelve members), 1 (one) of whom is the Managing Director, 5 (five) Promoter Directors (including Non-Executive Chairman) and 6 (six) Independent Directors, of which 2 (two) are Non-Resident. One of the Independent Directors was appointed in September 2010 as an Additional Director. The Chairman of the Company is also Promoter of the Company and hence the Company meets the stipulated requirement of having at least one-half of the Board as Independent Directors. All the Directors, except the Managing Director, are liable to retire by rotation and at least one third of the Directors are liable to retire by rotation, and are also eligible for re-election. The details of the Directors being appointed and re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV)(G) of the Listing Agreements, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.

### Number of Board Meetings:

During the financial year ended 31st March, 2011, five (5) Meetings of the Board of Directors were held on the following days and the maximum gap between two (2) Meetings did not exceed four (4) months:

Sr. No.	Date (s) on which the meeting(s) were held.	Sr. No.	Date (s) on which the meeting(s) were held.
1.	8 <sup>th</sup> May, 2010	4.	13 <sup>th</sup> November, 2010
2.	26 <sup>th</sup> June, 2010	5.	5 <sup>th</sup> February, 2011
3.	31 <sup>st</sup> July, 2010		

The Board of Directors at the beginning of each financial year decide on a tentative schedule of the dates for the Board Meetings proposed to be convened for declaration of the quarterly, half-yearly and annual results of the Company. Additional meetings are convened as and when necessitated, by giving appropriate notice.

The details of the composition, nature of Directorship, number of meetings attended and the directorships in other companies of the Directors of the Company are as follows:

Name of the Director	Category	Nature of Directorship	Date of joining the Board	Attendance		Director ships in other companies#	Membership and Chairmanship of the Committee of the Board of other companies ##	
				At the Board Meetings	At the last AGM		Committee Member	Committee Chairman
Mr. Ashwin Dani	PD	Chairman	13.01.1992	5	Yes	6	2	1
Mr. R. B. Desai	NED (2)	Director	31.03.1994	1	No	-	-	-
Mr. R S. Gandhi	NED (1)	Director	31.01.2005	5	Yes	1	-	-
Mr. Ranjan Kapur	NED (1)	Director	29.07.2006	4	No	4	3	1
Mr. Harish Motiwala	NED (1)	Director	10.12.2004	5	Yes	5	2	2
Mr. Jalaj Dani	PD	Director	12.09.1994	5	Yes	4	-	-
Mr. Hasit Dani	PD	Director	27.05.2000	5	Yes	2	-	-
Mr. Malav Dani	PD	Director	01.02.2008	5	Yes	2	-	-
Mrs. Ina Dani	PD	Director	30.01.2010	5	Yes	3	-	-
Mr. Ashwin Nagarwadia	NED (2)	Director in casual vacancy	31.01.2009	3	No	4	-	-
Mr. Somasekhar Sundaresan@	NED (1)	Additional Director	28.09.2010	2	N. A.	-	-	-
Mr. Ashok K. Goyal*	MD	Managing Director	31.05.1997	5	Yes	2	-	-

**NOTE:**

PD – Promoter Director, NED - Non-Executive Director, NED (1) - Non-Executive Director - Independent, NED (2) – Non-Executive Director – Independent – Non-Resident, MD – Managing Director, N.A. – Not Applicable

\* - The Managing Director is appointed under a service contract which is renewable after five years of appointment, as governed by the agreement entered into with the Company.

@ - Mr. Somasekhar Sundaresan was appointed as an Additional Director with effect from 28th September, 2010, to comply with the Clause 49(IA) of the Listing Agreements, however after a delay of 233 days.

# Excludes Directorship in Hitech Plast Limited, Alternate Directorships and Directorship of Foreign Companies and Private Companies.

## - For the purpose of considering the limit of the Committee Membership and Chairmanships of a Director, the Membership and Chairmanship of the Committee of Hitech Plast Limited has been excluded and only the Audit Committee, the Shareholders'/Investors Grievance Committee of Public Limited Companies alone has been considered.



**B. Board Procedures:**

Before each meeting, the Company sends to the Board of Directors, Agenda for the meeting, along with comprehensive notes and information which is material for facilitating effective discussion and decision making at their meetings. The Senior Management of the Company, which includes Managing Director & CFO of the Company, make presentations to the Board of Directors giving details of the business strategy, performance, progress and other important developments within the organization on a periodical basis. The Minutes of the proceedings of the Board of Directors are noted and the draft minutes are circulated to the Members of the Board for their perusal. The Board has access to all the information of the Company including the following information as specified in IA to the Clause 49 of the Listing Agreements.

Following information **inter-alia** is supplied to the Board on a periodical basis:

- a) Annual operating plans and budgets, capital budgets, updates;
- b) Quarterly, half-yearly and annual results of the Company and its operating divisions or business segments along with consolidated results of the group;
- c) Minutes of meetings of the Audit, Remuneration, Investors' Grievance and Share Transfer Committees, Committee of Directors, as well as abstracts of circular resolutions passed;
- d) General notices of interest;
- e) Information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of CFO and Company Secretary;
- f) Materially important litigations, show cause, demand, prosecution, compounding of offences and penalty notices;
- g) Fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems;
- h) Any materially relevant defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- i) Any issue which involves possible public or product liability claims of a substantial nature;
- j) Details of any joint venture or collaboration agreement;
- k) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- l) Significant labour problems and their proposed solution;
- m) Significant initiatives and developments on the human resource and industrial relations fronts;
- n) Sale of a material nature of investments, subsidiary and assets, which are not in the normal course of business;
- o) Investment of funds of the Company;
- p) Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement;
- q) Status on legal cases, proposals for investments, divestments, loans, guarantees, mergers and acquisitions;
- r) Approval of related party transactions;
- s) Compliance reports of all the laws applicable to the Company;
- t) Minutes of the meetings of the Board of Directors of unlisted subsidiary and statement of all significant transactions and arrangements entered into by the unlisted subsidiary;
- u) The Senior Management presents internally procedure followed for risk management in terms of raw materials risks and industry specific risks;
- v) Disclosures made by the Senior Management Personnel as to all material financial and commercial transactions, where they have personal interest;
- w) Details of non-compliance of any regulatory, statutory nature or listing requirements and shareholder services such as delays in share transfer; and
- x) All other information which is relevant for decision making by the Board.

### C. Committees of the Board:

The Board of Directors of your Company has constituted four Committees namely: Audit Committee, Remuneration Committee, Investors' Grievance and Share Transfer Committee and Committee of Directors. The terms of reference of these Committee(s) detailing their scope of work are determined by the Board from time to time. The minutes of the meetings of Audit Committee, Remuneration Committee, Investors' Grievance and Share Transfer Committee and Committee of Directors are placed before the Board of Directors for their perusal. The details as to the composition, terms of reference, number of meetings and attendance etc., of these Committees are provided hereunder:

#### 1. Audit Committee:

The Audit Committee comprises of three (3) Independent Directors. The Members of the Audit Committee are Mr. Rameshchandra S. Gandhi (Chairman), Mr. Harish N. Motiwalla and Mr. Ranjan Kapur, all of whom are financially literate and two Members, viz; Mr. Ramesh Gandhi & Mr. Harish Motiwalla have accounting or related financial management expertise.

The details as to the date(s) on which the meetings were held and attendance of the Members of the Committee during the financial year ended 31st March, 2011 are as follows:

Sr. No.	Date (s) on which the meeting(s) were held.	Sr. No.	Date (s) on which the meeting(s) were held.
1.	8 <sup>th</sup> May, 2010	4.	13 <sup>th</sup> November, 2010
2.	26 <sup>th</sup> June, 2010	5.	5 <sup>th</sup> February, 2011
3.	31 <sup>st</sup> July, 2010		

#### Composition and terms of reference:

The Audit Committee plays a key role, standing at the intersection of management, independent auditors, internal auditors and the Board of Directors. Audit Committee needs to ensure accountability on the part of management and internal and external auditors; make all groups involved in the financial reporting and internal controls process and understand their roles; gain input from the internal auditors, external auditors, and outside experts when needed and safeguard the overall objectivity of the financial reporting and internal controls process.

Attendance details of the Members during the financial year 2010-2011

Name	Meeting Details	
	Held during the year	Attended
Mr. Rameshchandra S. Gandhi	5	5
Mr. Harish N. Motiwalla	5	5
Mr. Ranjan Kapur	5	4

#### The role of the Audit Committee, inter-alia includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors, fixing of audit fees and approving payments for any other services rendered by them.
- Reviewing with the management the annual financial statements before submission to the Board for approval with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report as per Section 217(2AA) of the Companies Act, 1956.

- b) Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings.
  - c) Compliance with listing and other legal requirements relating to financial statements.
  - d) Disclosure of any related party transactions; and
  - e) Qualifications in the draft audit report, if any.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
  5. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
  6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing adequacy of internal audit systems and the internal audit department including the structure, staffing, reporting structure and frequency of internal audit.
  8. Discussion with the internal auditors on any significant findings and follow up thereon.
  9. Reviewing the Company's financial and risk management policies.
  10. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
  11. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  12. Reviewing reports furnished by the internal auditors and statutory auditors and ensuring suitable follow up thereon.
  13. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.

Apart from the above, the Committee also reviews the Management Discussion and Analysis of the financial condition and results of operations, the financial statements and investments made by the unlisted subsidiary and any other matter which may be a part of its terms of reference or referred to by the Board of Directors.

The composition, procedures, role, powers and the terms of reference of the Audit Committee are as stipulated in Section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreements.

The Committee invites Mr. Ashok K. Goyal, the Managing Director, M/s Shah & Co., the Statutory Auditors and the Internal Auditors to attend the Audit Committee Meeting(s). The Chief Financial Officer & Company Secretary Mr. Bhupendra P. Dusara acts as the Secretary to the Committee.

## **2. Remuneration Committee:**

### **Composition and terms of reference:**

The Remuneration Committee of the Board of Directors of the Company consists of three (3) Independent Directors, which is responsible for determining and recommending to the Board, the remuneration payable to the Managing Director of the Company.

The Members of the Committee were Mr. Rameshchandra S. Gandhi (Chairman), Mr. Harish N. Motiwalla and Mr. Ashwin R. Nagarwadia. During the financial year ended 31st March 2011, one meeting of the Committee was held on 8th May, 2010.

Attendance details of the members during the financial year 2010-2011

Name	Meeting Details	
	Held during the year	Attended
Mr. Rameshchandra S. Gandhi	1	1
Mr. Harish N. Motiwalla	1	1
Mr. Ashwin R. Nagarwadia	1	1

Mr. Bhupendra P. Dusara, Chief Financial officer & Company Secretary acts as the Secretary to the Committee.

#### **Remuneration Policy:**

The Company's remuneration policy aims to attract and retain talent and is in accordance with the industry practices. The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance earmarked objectives.

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance pay. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and the individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

The remuneration of the Director is based on the Company's size, performance and market trends.

**Details of the remuneration paid/payable to the Directors of the Company are as follows:**

#### **Managing Director:**

The remuneration payable to the Managing Director of the Company is recommended by the Remuneration Committee to the Board. The criteria adopted by the Committee to determine the remuneration of the Managing Director is the performance of the Company and the industry benchmarks. The Company has entered into agreements with the Managing Director of the Company, which are approved by the Board of Directors as well as the Shareholders of the Company, detailing the terms of the employment and his remuneration. The agreement with the Managing Director is for a period of five years and renewed thereafter, on mutually accepted terms and conditions. The Managing Director was re-appointed on 20th July, 2002. By entering into a supplemental agreement, effective 1st October, 2006, the Company started payment of remuneration to Mr. Ashok K. Goyal. The Company terminated the said contract with Mr. Ashok K. Goyal on 1st April, 2007 to enter into a new contract with effect from 2nd April, 2007, for a period of 5 (five) years, so as to vary the payment of remuneration amount depending upon the performance of the Company. After the shareholders approval at the Annual General Meeting held on 4th September, 2010, supplemental agreement was entered into, for revising managerial remuneration, with effect from 1st April, 2010.

In accordance with the terms of the agreement, his appointment can be terminated by giving three months notice in writing. No severance fees is payable to him on termination of employment. No sitting fees for attending the meetings of the Board or Committee(s) thereof shall be paid to the Managing Director.

#### **Advisor:**

Shri Ashwin S. Dani, the Chairman was appointed as an Advisor on 30th May, 2009, subject to shareholders approval in the Annual General Meeting held on 26th September, 2009 and the Central Government opinion, with effect from 1st October 2009. Post shareholders approval in the general meeting, the necessary application was filed with the Central Government. The opinion was obtained on 16th March, 2010, from the Central Government.

Accordingly, the Chairman is entitled to the following:

- (i) A chauffeur driven car for office as well as for personal purposes;
- (ii) Telephone facilities at home and office;
- (iii) Reimbursement of travelling expenses on Company's work in India and foreign countries;
- (iv) Reimbursement of such other expenses incurred on behalf of the Company.

#### **Non-Executive Directors:**

The Non-Executive/Independent Directors of the Company play a crucial role for ensuring the quality of corporate governance in a Company. They constitute a necessary component of a balanced Board structure where the in-depth knowledge of the Executive Directors is blended with the wider experience, unbiased opinions and knowledge of the Independent Directors.

The contribution of the Non-Executive Directors is rewarded by paying commission on the basis of their performance and their commitment towards attending the meetings of the Board.

The commission paid to the Non-Executive Directors of the Company is within the limits set under Section 309 of the Companies Act, 1956 and the limits approved by the Shareholders at their meeting held on 26th September 2009. The commission payable is determined as a percentage to the profits (as determined under Section 349 and 350 of the Companies Act, 1956) of the Company.

Apart from commission, the Non-Executive Directors are also paid sitting fees of ₹ 5,000/- (Rupees five thousand only) per meeting, for attending the meeting(s) of the Board of Directors and Audit Committees and ₹ 2,000/- (Rupees two thousand only) per meeting for Remuneration Committee and the Committee of Directors. The Company has not granted any Stock Options to any of its Directors.

The table below signifies the relationship of the Directors with each other as required to be disclosed in terms of the amendment to Clause 49 of the Listing Agreements vide a circular of the Securities Exchange Board of India (SEBI) dated 8th April 2008.

Details about Remuneration paid to the Directors in 2010-11 are as follows:

(Figures in ₹)

Name of the Director	Relationship with each other	Salary	Perquisites @	Sitting Fees	Performance Linked Bonus	Commission	Total
Ashok K. Goyal	##	60,00,000	9,19,000	-	11,33,000	-	80,52,000
Ashwin Dani	Husband of Mrs. Ina Dani and Father of Mr. Jalaj Dani, Mr. Hasit Dani and Mr. Malav Dani	--	5,67,438	45,000	--	60,000	6,72,438
Ina Dani	Wife of Mr. Ashwin Dani and Mother of Mr. Jalaj Dani, Mr. Hasit Dani and Mr. Malav Dani	--	--	25,000	--	60,000	85,000
R. B. Desai	##	--	--	5,000	--	--	5,000
Rameshchandra Gandhi	##	--	--	52,000	--	1,60,000	2,12,000
Ranjan Kapur	##	--	--	40,000	--	60,000	1,00,000
Harish Motiwalla	##	--	--	52,000	--	1,00,000	1,52,000
Jalaj Dani	Son of Mr. Ashwin Dani and Mrs. Ina A Dani, Brother of Mr. Hasit Dani and Mr. Malav Dani	--	--	45,000	--	60,000	1,05,000
Hasit Dani	Son of Mr. Ashwin Dani and Mrs. Ina A Dani, Brother of Mr. Jalaj Dani and Mr. Malav Dani	--	--	43,000	--	60,000	1,03,000
Malav Dani	Son of Mr. Ashwin Dani and Mrs. Ina A Dani, Brother of Mr. Jalaj Dani and Mr. Hasit Dani	--	--	45,000	--	60,000	1,05,000
Ashwin Nagarwadia	##	--	--	17,000	--	60,000	77,000
Somasekhar Sundaresan*	##	--	--	10,000	--	30,000	40,000

\* Part of the Year.

## There is no relationship with any of the Directors.

@ Perquisites include Company's contribution to provident fund, medical and leave travel allowance etc., as well as monetary value of perquisites as per Income Tax Rules.



### Directors with materially significant, pecuniary or business relationship with the Company:

The transactions with related parties are furnished under Schedule 'O' of the Notes to the Accounts as stipulated under Accounting Standard 18 (AS-18). There are no transactions of material nature with the Promoter Directors or their relatives etc., which may have a potential conflict with the interest of the Company. Disclosures have also been received from the Directors and the Senior Managerial Personnel relating to the financial transactions in which they or their relatives may have a personal interest.

However, none of these transactions have a potential conflict with the interest of the Company. The Register of Contracts required to be maintained under Section 301 of the Companies Act, 1956, containing the contracts in which the Directors are concerned and interested is placed at the meeting of Board of Directors of the Company for their approval, noting and signature, on a periodical basis.

No pecuniary or business relationship exists between the Non-Executive Directors and the Company, except for the commission payable and sitting fees payable to the Non-Executive Directors.

#### Shareholding of the Executive and Non-Executive/Independent Directors of the Company as on 31<sup>st</sup> March, 2011:

Name of the Director	Nature of Directorship	Number of Shares held *	As a Percentage to the paid-up share capital *
Ashok K. Goyal	Managing Director	1,08,000	0.82
Ashwin Dani	Non-Executive Chairman – Promoter Director	1,50,095	1.14
R. B. Desai	Non-Executive/ Independent/ Non-Resident	--	--
Rameshchandra Gandhi	Non-Executive/ Independent	3,880	0.03
Ranjan Kapur	Non-Executive/ Independent	--	--
Harish Motiwalla	Non-Executive/ Independent	4,300	0.03
Jalaj Dani	Non-Executive/ Promoter Director	25,100	0.19
Hasit Dani	Non-Executive/ Promoter Director	30,000	0.23
Malav Dani	Non-Executive/ Promoter Director	30,000	0.23
Ashwin Nagarwadia	Non-Executive/ Independent/ Non-Resident	5,000	0.04
Ina Dani	Non-Executive/ Promoter Director	35,200	0.27
Somasekhar Sundaresan	Non-Executive/Independent	--	--
TOTAL		3,91,575	2.97

\* As per the declarations made to the Company by the Directors as to the shares held in their own name or held jointly as the first holder or held on beneficial basis as the first holder.

### 3. Investor's Grievance and Share Transfer Committee:

The Board of Directors of the Company has constituted Investor's Grievance and Share Transfer Committee consisting of Mr. Ashwin S. Dani as the Chairman, Mr. Ashok K. Goyal, Mr. Jalaj A. Dani, Mr. Hasit A. Dani and Mr. Malav A. Dani as the Members. The Committee monitors redressal of investors' grievances on regular basis.

During the financial year ended 31st March, 2011 the Investors' Grievance and Share Transfer Committee met 27 times.

The terms of reference of the Committee include the following:

1. power to redress the shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
2. power to delegate share transfer to an officer or a committee or to the registrar and share transfer agents to expedite the process of share transfers;
3. power to affix the Common Seal of the Company on Share Certificates;
4. power to approve share transfer, transmission, transposition, sub-division, split-up, consolidation, issue of duplicate share certificates and to do all such related matters as may be necessary in accordance with the Company's Articles of Association;
5. to approve the register of members as on the record date(s) and/or book closure dates for receiving dividends and other corporate benefits;
6. to review correspondence with the shareholders and take appropriate decisions in that regard;

7. to recommend measures for overall improvement in the quality of services to investors;
8. any other matter as may be delegated by the Board from time to time.

Mr. Bhupendra P. Dusara, Chief Financial Officer & Company Secretary is the Compliance Officer of the Company as per the Listing Agreements.

Details pertaining to the number of complaints received and resolved and the status thereof during the financial year ended 31st March, 2011 are given as follows:

<b>Nature of Complaints</b>	<b>Received</b>	<b>Replied</b>
Non receipt of demat credit / Remat credit	5	5
Non receipt of rejected DRF	1	1
Non receipt of REP/SPL/CON/DUP cert	1	1
Non receipt of share certificate	2	2
Non receipt of dividend warrants	2	2
Non receipt of endorsement stickers	1	1
<b>Total</b>	<b>12</b>	<b>12</b>

All the complaints as at the end of the financial year 31st March, 2011 stand resolved and no complaints are pending for redressal.

#### **4. Committee of Directors**

The Board of Directors of the Company has constituted Committee of Directors consisting of Mr. Ashwin S. Dani as the Chairman, Mr. Ashok K. Goyal, Mr. Jalaj A. Dani, Mr. Hasit A. Dani and Mr. Malav A. Dani as the Members. The Committee meets for deciding the matters relating to various operations of the Company, when the need arises.

During the financial year ended 31st March, 2011, the Committee met 10 times.

The terms of reference of the Committee include the following:

1. power to open and/or close cash credit accounts, current accounts and collection accounts with scheduled banks and authorising officials of the Company for operating the various bank accounts, from time to time. Power also to make addition and/or deletion of names of authorised signatories for operating the various bank accounts, from time to time;
2. power to appoint staff, technical or professional, at a salary exceeding ₹ 25,00,000/- (Rupees Twenty Five Lacs only) but not exceeding ₹ 50,00,000/- (Rupees Fifty Lacs only) per annum per employee;
3. power to appoint advisors, retainers, consultants;
4. power to approve capital expenditure proposals exceeding ₹ 50,00,000/- (Rupees Fifty Lacs only) but not exceeding ₹ 1,00,00,000/- (Rupees One Crore only);
5. power to approve disposal of assets exceeding value of ₹ 5,00,000/- (Rupees Five Lacs only) but not exceeding ₹ 10,00,000/- (Rupees Ten Lacs only);
6. power to borrow moneys otherwise than on debentures, pursuant to section 292(1)(c) of the Companies Act, 1956, to the extent of ₹ 5,00,00,00,000 (Rupees Five Hundred Crores only);
7. power to make loans to subsidiary company namely Clear Mipak Packaging Solutions Limited with an overall limit of ₹ 25,00,00,000/- (Rupees Twenty Five Crores Only);
8. power to make loans, pursuant to section 292(1)(e) of the Companies Act, 1956, to any employee of the Company utilising the funds of the Company, within an overall limit of ₹ 30,00,000/- (Rupees Thirty Lacs only) outstanding at any one time and that the loan given to any employee shall in no case exceed ₹ 5,00,000/- (Rupees Five Lacs only) and the Managing Director of the Company be and is hereby authorised to do such acts, deeds and things as may be necessary for disbursing the loans on behalf of the Company;
9. any other matters as may be delegated by the Board from time to time.

#### D. Subsidiary Company:

Your Company in terms of Clause 49 (III) of the Listing Agreements, requires at least One Independent Director on the Board of Directors of the holding Company to be a Director on Board of Directors of a material non-listed Indian subsidiary company, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiary in the immediately preceding accounting year. Accordingly, Mr. Rameshchandra Gandhi, an Independent Director of the Company is on the Board of Clear Mipak Packaging Solutions Limited.

For unlisted subsidiary, the Audit Committee reviews the financial statements including investments and the list of significant transactions and arrangements by the unlisted subsidiary of the Company from time to time. Also, copies of the minutes of the meetings of the unlisted subsidiary of the Company are placed before the Board of the Company on a periodical basis.

#### E. CEO/CFO Certification:

As required by Clause 49 (V) of the Listing Agreements, the CEO/CFO Certificate signed by Mr. Ashok Goyal, Managing Director and Mr. Bhupendra P. Dusara, Chief Financial Officer & Company Secretary was placed before the Board of Directors at their meeting held on 28th May, 2011.

#### F. Auditors Certificate on Corporate Governance:

As required by Clause 49 of the Listing Agreements, the Auditors certificate is given in the Annexure to the Director's Report section in the Annual Report.

#### General Body Meetings:

Venue and the time of the last three Annual General Meetings of the Company:

Year	Location	Meeting Date	Time	No. of Special Resolutions set out at the AGM.	Business Transacted
2009-10	Indian Merchants' Chamber, 2nd Floor, Kilachand Conference Room, IMC Building, Churchgate, Mumbai – 400 020	4th September, 2010	11.30 a.m.	0	Supplementary Agreement entered between the Company and Mr. Ashok K. Goyal for revision in terms & conditions of payment of Remuneration.
2008-09	Indian Merchants' Chamber, 2nd Floor, Kilachand Conference Room, IMC Building, Churchgate, Mumbai – 400 020	26th September, 2009	11.30 a.m.	2	<ol style="list-style-type: none"> <li>To appoint Mr. Ashwin Dani to hold office or place of profit under the Company as Advisor to the Company.</li> <li>Payment of Commission to Non-executive Directors.</li> </ol>
2007-08	Sunville, Royal Hall, 3rd Floor, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018.	20th September, 2008	11.30 a.m.	1	Approval for keeping Register of Members and copies of Annual Returns with the Company's Registrar and Share Transfer Agent, viz. M/s. Link Intime India Private Limited earlier known as Intime Spectrum Registry Limited.

All special resolutions set out in the respective notices for the last three AGMs were passed by the shareholders at their respective meetings unanimously. No Postal Ballot was conducted during the year. None of the resolutions is proposed to be passed by postal ballot.

**DISCLOSURES:****1. Disclosures on materially significant related party transactions:**

The Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Schedule 'O' of the Notes to the Accounts as stipulated under Accounting Standard 18 (AS-18) with the Promoters, Directors or the Management, their subsidiary or relatives etc. All transactions were carried out on an arms length basis and were not prejudicial to the interest of the Company.

**2. Details of non-compliance(s) by the Company:**

The Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India (SEBI) on matters related to Capital Markets or any other matter, as applicable from time to time. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

**3. Disclosure of Accounting Treatment:**

The Company follows Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956 and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard(s).

**4. Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreements:**

Your Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreements. Following is the status of the compliance with the non-mandatory requirements of the Clause 49 of the Listing Agreements:

**a) Remuneration Committee:**

The Company has constituted a Remuneration Committee comprising of Independent Directors. The Remuneration Committee determines the remuneration payable to the Managing Director of the Company.

**b) Shareholder's Rights:**

Quarterly Results of the Company are available on the Company's website.

**c) Audit Qualifications:**

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

**d) Training of Board Members:**

The Managing Director and other senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives etc and seek their opinions and suggestions on the same.

**e) Mechanism for evaluating Non-Executive Board Members:**

The Company does not have a formal mechanism for evaluation of the performance of the Non-Executive Members of the Board. However, the commission paid to them is based on their overall performance and their commitment towards attending the meetings of the Board and devoting time and attention to the affairs of the Company.

**f) Whistle Blower Policy:**

The Company does not have a formal Whistle Blower Policy; however, the Company has its intranet portal, wherein all the employees are free to express their feedback/suggestions/complaints, if any at [suggestions@hitechplast.co.in](mailto:suggestions@hitechplast.co.in) and [feedback@hitechplast.co.in](mailto:feedback@hitechplast.co.in). No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

**5. Code of Conduct for the Board of Directors and senior management personnel:**

The Board of Directors at their meeting held on 31st January, 2005, had adopted a Code of Conduct for all the Board Members and senior management personnel of the Company in consonance with the requirement under Clause 49(I) (D) of the Listing Agreements. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2011. The declaration to this effect signed by Mr. Ashok Goyal, Managing Director of the Company forms part of the report.

**6. Code of Conduct for Prevention of Insider Trading:**

The Board of Directors at their meeting held on 13th November, 2010 adopted a Code of Conduct for Prevention of Insider Trading in accordance with the Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2008. Mr. Bhupendra P. Dusara, CFO & Company Secretary is the Compliance Officer. All the Directors, Senior Management Personnel and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company, are covered under the said code. The Directors, their relatives, Senior Management Personnel, designated employees etc. are restricted in dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during certain periods known as "Quiet Period". All the Directors, Senior Management Personnel and other designated employees of the Company are restricted from entering into opposite transaction, i.e., buy or sell any number of shares during the next six months following the prior transaction and they also are restricted from taking any position in derivative transactions in the shares of the Company at any time, as per the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2008.

**7. Management Discussion and Analysis:**

This annual report has a detailed section on Management Discussion and Analysis.

**Means of communication:**

- (a) Quarterly/Half-Yearly/Nine-months and Annual Financial Results of the Company are published in the Mumbai editions of Free Press Journal and Navshakti. With effect from 15th November, 2010, the Company has started publishing results in all India editions of Business Standard and also in the Mumbai editions.
- (b) The results of the Company are also posted up on the Company's corporate website : [www.hitechplast.co.in](http://www.hitechplast.co.in)
- (c) All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto for each financial year.

Your Company provides necessary information to the Stock Exchanges in terms of the Listing Agreements and other rules and regulations issued by Securities Exchange Board of India.

**NOTES ON DIRECTORS SEEKING RE - APPOINTMENT/APPOINTMENT:**

As per the Companies Act, 1956, at least two-thirds of the Board should consist of retiring Directors. Of these, one-third of the retiring Directors are required to retire every year. All the Directors, excepting the Managing Director, are liable to retire by rotation.

In accordance with Article 104 of the Articles of Association of the Company, Mr. Rameshchandra S. Gandhi and Mr. Harish N. Motiwala are liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Mr. Somasekhar Sundaresan was appointed as an Additional Director with effect from 28th September, 2010, pursuant to Section 260 of the Companies Act, 1956 and Article 107 of the Articles of Association of the Company. Mr. Somasekhar Sundaresan holds office upto the date of the ensuing Annual General Meeting of the Company.

In view of the vacancy caused by the sad demise of Mr. Anand S. Bhatt, Mr. Ashwin R. Nagarwadia was appointed as a Director to fill the casual vacancy with effect from 31st January, 2009. Pursuant to Section 262 of the Companies Act, 1956 and Article 106 of the Articles of Association of the Company, he holds office upto the date of the ensuing Annual General Meeting.



A brief resume of the Directors being appointed/re-appointed is as follows:

Details of the Directors retiring by rotation at the ensuing Annual General Meeting as well as seeking appointment, as required pursuant to Clause 49(IV)(G) of the Listing Agreements:

	<b>Mr. Harish Motiwalla</b>	<b>Mr. Rameshchandra Gandhi</b>	<b>Mr. Somasekhar Sundaresan</b>	<b>Mr. Ashwin Nagarwadia</b>
<b>Date of Birth</b>	24 <sup>th</sup> March, 1945	18 <sup>th</sup> June, 1929	23 <sup>rd</sup> December, 1972	20 <sup>th</sup> September, 1937
<b>Profile of the Director</b>	Mr. Harish N. Motiwalla is a practising Chartered Accountant and has a vast expertise in the field of accounts, finance and corporate governance.	Mr. Rameshchandra S. Gandhi, a Chartered Accountant by profession also holds Membership of the Institute of Company Secretaries of India and a Masters Degree in Business Administration from University of Columbia. He has a vast expertise in the field of corporate laws, accounts and corporate governance as he was Finance Director for 10 years and Company Secretary of Bombay Burmah Trading Corporation for 19 years.	Mr. Somasekhar Sundaresan, is a Graduate in Law from Government Law College, University of Mumbai. Presently, he is a Partner at J Sagar Associates Advocates & Solicitors (Firm) since year 2002. The experience and knowledge of Mr. Somasekhar Sundaresan in the field of Capital Markets and Private Equity will help the Company.	Mr. Ashwin R. Nagarwadia is B. Sc. (Eng) and was also the Ex-Chairman and Managing Director of Ingersoll Rand (I) Limited.
<b>Date of joining the Board</b>	10 <sup>th</sup> December, 2004	31 <sup>st</sup> January, 2005	28 <sup>th</sup> September, 2010	31 <sup>st</sup> January, 2009
<b>Directorships and Committee memberships in other Companies</b>	<ul style="list-style-type: none"> <li>Excel Industries Ltd Chairman–Audit Committee Member–Investor Grievances Committee</li> <li>Ashapura Minechem Ltd Member–Audit Committee</li> <li>Gujarat Organics Limited</li> <li>Balkrishna Synthetics Limited</li> <li>Multibase India Limited Chairman–Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Clear Mipak Packaging Solutions Limited</li> </ul>	--	<ul style="list-style-type: none"> <li>Chembond Chemicals Ltd</li> <li>Henkel-Chembond Surface Technologies Ltd</li> <li>Firor Pipej Chemicals Ltd</li> <li>H2O Inovation India Ltd</li> </ul>
<b>No. of Shares held in the Company</b>	<b>4,300</b>	<b>3,880</b>	--	<b>5,000</b>

## GENERAL SHAREHOLDER INFORMATION:

### Annual General Meeting:

Date	:	Saturday, 30 <sup>th</sup> July, 2011
Venue	:	Indian Merchants' Chamber, 4 <sup>th</sup> Floor, Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020
Time	:	11.30 a.m.

### Financial Calendar:

Financial year : 1<sup>st</sup> April to 31<sup>st</sup> March.

For the year ended 31<sup>st</sup> March 2011 results were announced on:

31 <sup>st</sup> July, 2010	:	First Quarter
13 <sup>th</sup> November, 2010	:	Second Quarter
5 <sup>th</sup> February, 2011	:	Third Quarter
28 <sup>th</sup> May, 2011	:	Fourth Quarter and Annual

For the financial year ending on 31<sup>st</sup> March 2012 results will be announced tentatively:

On or before 15 <sup>th</sup> August, 2011	:	First Quarter
On or before 15 <sup>th</sup> November, 2011	:	Second Quarter
On or before 15 <sup>th</sup> February, 2012	:	Third Quarter
On or before 31 <sup>st</sup> May, 2012	:	Fourth Quarter and Annual

### Book Closure:

Book Closure Date: 22nd July, 2011 to 30th July, 2011, inclusive of both days

### Dividend Payment Date:

A final dividend of ₹ 1.60 (16 per cent) per share has been recommended in the Board of Directors Meeting held on 28th May, 2011 and subject to the approval of the shareholders at the ensuing Annual General Meeting, will be credited/dispensed between 1st August, 2011 and 8th August, 2011.

- to those members whose names appear on the Company's Register of Members, after giving effect to all valid share transfers in physical form lodged on or before 21st July, 2011.
- in respect of shares held in electronic form, to those members whose names appear in the statement of beneficial ownership furnished by NSDL and CDSL as at the closing hours of 21st July, 2011.

### Dividend declared and paid during last four years by the Company:

Year	Percentage	₹ per share	(₹ in lacs)
2006-2007	8%	0.80	105.41
2007-2008	10%	1.00	131.76
2008-2009	11%	1.10	144.93
2009-2010	15%	1.50	197.64

<b>Listing :</b>		
The Company's share are listed on:	:	Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai 400 001. Telephone: 022-2272 1233/34 Facsimile: 022-2272 1919/3027
	:	National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. Telephone: 022-2659 8100 - 14 Facsimile: 022-2659 8237/38

**Listing and Custodial fees:**

The Company has paid the Listing Fees for the financial year 2011-2012 to the Stock Exchange(s) on which Company's shares are listed. The Company has also paid custodial fees for the year 2011-2012 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allocated to the Company by NSDL and CDSL is INE120D01012.

The Stock Exchange codes assigned to your Company's share are as follows:

Name of the Stock Exchange	:	Scrip Code
Bombay Stock Exchange Limited (BSE)	:	526217
National Stock Exchange of India Limited (NSE)	:	HITECHPLAS

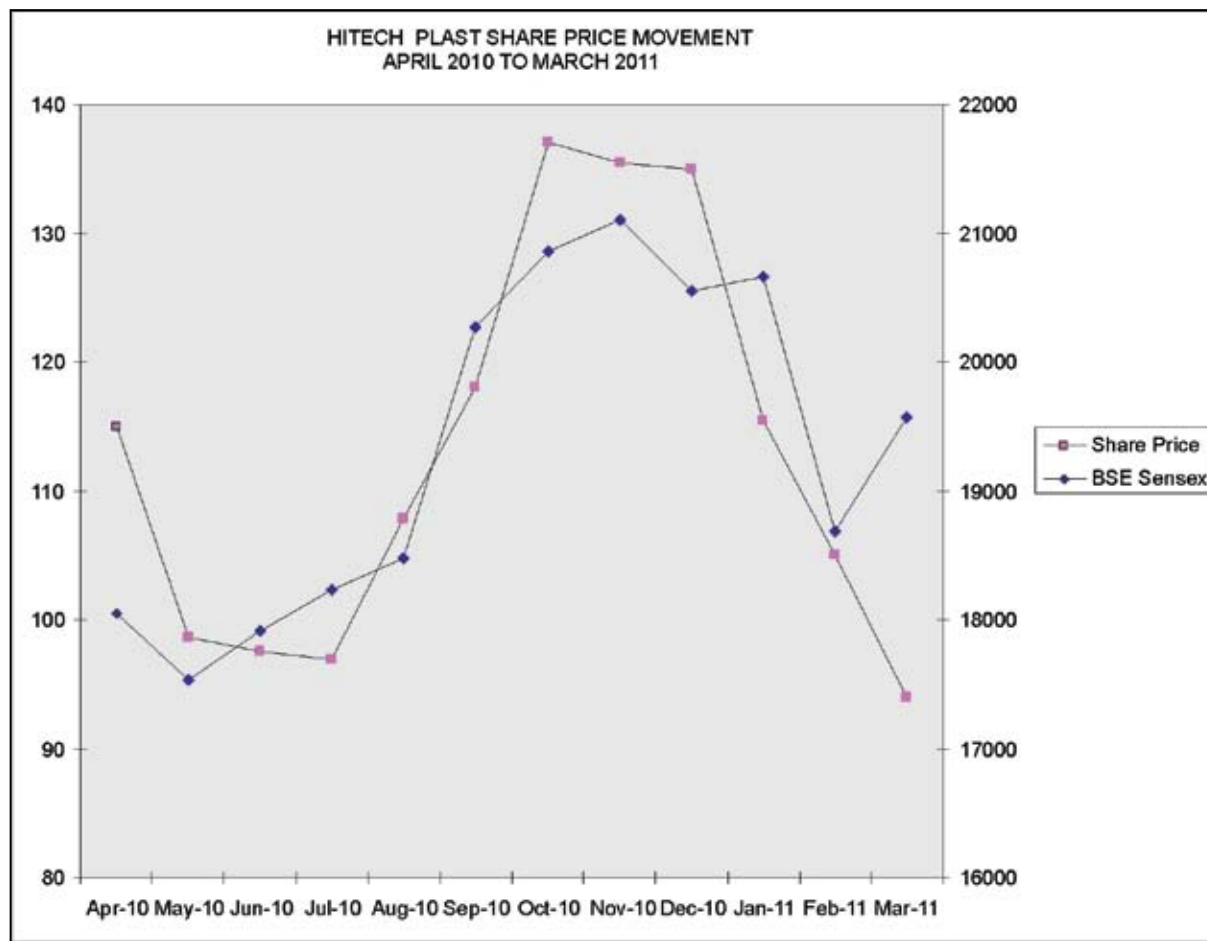
**Stock Price Data:**

The monthly high and low prices and volumes of your Company's shares at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2011 are given as follows:

High, low and volumes of Hitech Plasts' shares for 2010-2011:										
Month	High (Rupees)		Low (Rupees)		Volume (No. of Shares)		Date on which it touched the high		Date on which it touched the low	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April	115.00	113.70	85.70	84.00	372211	311520	12.04.2010	12.04.2010	01.04.2010	01.04.2010
May	98.65	98.00	84.10	84.25	94635	62605	12.05.2010	17.05.2010	07.05.2010	07.05.2010
June	97.50	98.80	84.10	81.50	69309	72531	23.06.2010	09.06.2010	16.06.2010	07.06.2010
July	96.90	101.00	89.05	86.60	73760	43879	21.07.2010	05.07.2010	01.07.2010	02.07.2010
August	107.80	109.20	87.30	87.05	374282	582673	05.08.2010	05.08.2010	03.08.2010	04.08.2010
September	118.00	118.00	87.25	87.90	590426	656373	30.09.2010	30.09.2010	03.09.2010	03.09.2010
October	137.00	140.00	108.00	112.00	316873	254200	07.10.2010	06.10.2010	04.10.2010	01.10.2010
November	135.50	139.90	100.10	101.65	93436	93641	11.11.2010	24.11.2010	01.11.2010	26.11.2010
December	135.00	134.15	100.10	94.00	162058	603791	02.12.2010	02.12.2010	10.12.2010	10.12.2010
January	115.40	117.50	95.00	95.30	35569	48689	07.01.2011	07.01.2011	31.01.2011	28.01.2011
February	105.00	106.00	76.05	80.15	38076	15002	01.02.2011	01.02.2011	10.02.2011	10.02.2011
March	94.00	92.95	75.05	80.55	188120	29895	04.03.2011	01.03.2011	25.03.2011	29.03.2011

Note : High and low are in rupees per traded share. Volume is the total monthly volume of trade in Hitech Plast shares on BSE & NSE.

Below mentioned Chart shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of BSE Sensex for the year 2010-2011:



The performance of the Company's share price as at the beginning and end of the financial year 2010-11 is given as follows :

Name of the Stock Exchange	BSE	NSE
Price as on 1 <sup>st</sup> April, 2010	86.00	85.35
Price as on 31 <sup>st</sup> March, 2011	83.00	84.50
Change in value	-3.00	-0.85
% Change	-3.49%	-1.00%

#### Share Transfer System:

The applications and requests received by your Company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under the Companies Act, 1956 and the Listing Agreements. A summary of all the transfers, transmissions, deletion requests etc., approved by the Investor Grievance and Share Transfer Committee is placed before the Board of Directors from time to time for their review. The Committee ordinarily meets once in 10 days.



**Distribution of Shareholder's holdings:**

The distribution pattern of shareholding of your Company as on 31st March, 2011 by ownership and size class, respectively, is given as follows:

**Distribution of shareholdings by ownership:**

Category of Shareholder		Total No. of Shares	Percentage of total no. of shares
<b>(A) Shareholding of Promoter and Promoter Group</b>			
(a)	Individuals/Hindu Undivided Family	3,09,095	2.35
(b)	Bodies Corporate	84,67,295	64.26
<b>Total Shareholding of Promoter and Promoter Group (A)</b>		87,76,390	66.61
<b>(B) Public Shareholding</b>			
<b>1) Institutions</b>			
(a)	Mutual Funds/UTI	494,100	3.75
Sub-Total (B) (1)		494,100	3.75
<b>2) Non-Institutions</b>			
(a)	Bodies Corporate	530,568	4.03
(b)	Individuals		
	(i) Individual shareholders holding nominal share capital up to ₹ 1 Lakh	13,83,420	10.50
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	14,22,062	10.79
(c)	Individual (Non-Resident Individuals)	5,69,160	4.32
Sub-Total (B) (2)		39,05,210	29.64
<b>Total Public shareholding (B)=(B)(1) +(B)(2)</b>		43,99,310	33.39
<b>Total (A) + (B)</b>		1,31,75,700	100.00

**Distribution of shareholding of the Company by number of shares held as on 31<sup>st</sup> March, 2011:**

			Shareholders		Amount in Rupees	% to Total
			Number	% to Total		
Upto	-	500	5,664	91.993	67,64,810	5.13
501	-	1000	180	2.923	15,20,500	1.15
1001	-	2000	97	1.575	14,52,460	1.10
2001	-	3000	40	0.650	10,46,210	0.79
3001	-	4000	30	0.487	11,02,070	0.83
4001	-	5000	40	0.650	19,73,350	1.50
5001	-	10000	41	0.666	30,82,140	2.34
10001 & above			65	1.056	11,48,15,460	87.16
<b>Total</b>			6,157	100.000	13,17,57,000	100.000

**Details about Company's dematerialised shares:**

Number of shares	% to total shares	Number of shareholders	% to total shareholders
38,05,379	28.88	3,049	49.52



As per the directions of SEBI, Equity Shares of the Company can be traded by all the investors only in dematerialised form. The Company's Shares are actively traded on BSE and NSE. To facilitate trading in demat form, in India, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Your Company has entered into agreement with both these depositories.

Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialised form. For any clarification, assistance or information, please contact the Company's Registrar and Transfer Agent, M/s Link Intime India Private Limited, having its office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai – 400 078, Tel. 2596 3838 Fax: 2596 2691, E-mail: mumbai@linkintime.co.in. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).

**Break up of shares in physical and demat form as on 31<sup>st</sup> March, 2011:**

	<b>No of shares</b>	<b>Percentage of shares</b>
Demat Segment		
National Securities Depository Limited (NSDL)	34,04,386	25.84
Central Depository Services (India) Limited (CDSL)	4,00,993	3.04
Total Dematted (A)	38,05,379	28.88
Physical Segment (B)	93,70,321	71.12
<b>TOTAL (A + B)</b>	<b>1,31,75,700</b>	<b>100.00</b>

**Outstanding GDRs/ ADRs/Warrants/Convertible instruments and their impact on equity:**

The Company does not have any outstanding GDRs/ADRs/warrants/convertible instruments as on 31st March, 2011.

**Details of public funding obtained in the last four years:**

Your Company has not obtained any public funding in the last four years.

**Other Information:**

**Corporate Identification Number (CIN No.):**

Our Corporate Identification Number (CIN) allotted by Ministry of Corporate Affairs, Government of India is L28992MH1991PLC168235 and the Company Registration Number is 168235. Our Company is registered in the State of Maharashtra, India.

**Reconciliation of Share Capital Audit Certificate:**

As stipulated by the SEBI a qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted Capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited and the total issued and listed capital. This Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and the total number of shares in physical form.

**Electronic Clearing System for dividend :**

ECS credit has been moved completely to National Electronic Clearing System (NECS) platform through core banking system effective September 2009. Accordingly, dividend will be credited to the shareholders' bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholder to the Depository / Company as the case may be, the Company will print details available in its records on the dividend warrants to be issued to the shareholders.

This service not only provides instantaneous credit to the shareholders account and protects against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate warrants.

#### **Shareholders holding shares in physical form:**

Investors who would like to avail NECS facility and are holding shares in physical form may send in their ECS Mandate Form, duly filled into the Company's Registrar and Transfer Agent, M/s Link Intime India Private Limited, having its office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai – 400 078.

#### **Shareholders holding shares in electronic/demat form:**

Investors holding shares in demat or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, the Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or the Registrar and Transfer Agent cannot make any change in such records received from the Depository.

#### **Nomination facility:**

Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to send their requests in Form 2B to the Registrar and Transfer Agent of the Company. The Nomination Form with instructions will be available at the Registered Office of the Company. Members holding shares in electronic form are requested to give the nomination request to their respective Depository Participant directly.

#### **Consolidation of Folios:**

Members holding shares of the Company in physical form through multiple folios are requested to consolidate their shareholding into single folio, by sending their original share certificates alongwith a request letter to consolidate their shareholding into a single folio, to the Registrar & Transfer Agent of the Company.

#### **Unpaid/Unclaimed dividend:**

In terms of Sections 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the IEPF.

<b>Financial Year</b>	<b>Type</b>	<b>Unclaimed dividend amount as on 31.03.2011 (in ₹)</b>	<b>Due Date for transfer to IEPF</b>
2005-2006	Final	1,35,156	22.10.2013
2006-2007	Final	1,29,854	21.10.2014
2007-2008	Final	1,59,029	19.10.2015
2008-2009	Final	1,75,830	25.10.2016
2009-2010	Final	2,16,779	03.10.2017

The Company has initiated the process of sending reminders to the shareholders whose dividend are still outstanding with a request to claim the dividend before it is transferred to the IEPF.

#### **Equity Shares in the Suspense Account:**

Pursuant to the amended Clause 5A of the Listing Agreements, the Company has 1100 shares (11 shareholders) in physical form as on 31st March, 2011 which is lying unclaimed with Registrar & Transfer Agent of the Company. The Company has initiated steps to send atleast three reminders to the shareholders.

After due course the shares lying in Unclaimed account will be transferred into one folio in the name of "Unclaimed Suspense Account" as per Clause 5AI and Clause 5AII of Listing Agreements.

**Build up of the Company's share capital:**

<b>Type of Issue</b>	<b>Year of Issue</b>	<b>No of shares</b>	<b>Total Cumulative shares (No.)</b>
Initial Public Offer (IPO)	1993	49,00,000	49,00,000
Preferential Allotment to Promoters	1994	5,00,000	54,00,000
Preferential Allotment to Promoters for Redemption of Preference Capital	2000	36,00,000	90,00,000
Issue of Shares pursuant to merger with Plastic & Precision Machinefabrik Limited	2004	28,96,995	1,18,96,995
Private allotment of Equity issue	2006	12,78,705	1,31,75,700
Total paid-up capital as on 31 <sup>st</sup> March, 2011			1,31,75,700

**General Do's and Don'ts**

- Shareholders/Beneficial holders should quote their Folio No./DP id and Client Id, as the case may be, in all the correspondence with the Company.
- Shareholders/Beneficial holders should mention their Contact nos. Fax Nos. and email Id.
- Investors are required to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request, to the Company.

The Securities and Exchange Board of India (SEBI), vide its Circular No.MRD/DoP/Cir-05/2009 dated 20th May, 2009 and SEBI/MRD/DoP/SE/RTA/Cir-08/2010 dated January 07, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN card to the Company for registration of physical transfer of shares and for transmission, deletion and transposition of shares in physical form.

- Shareholders are requested to maintain a record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.
- Investors holding shares in dematerialized should send all communications related to the change in address or change in bank details to their Depository Participant.

**Registrar and Transfer Agent:**

Link Intime India Private Limited is the Registrar & Transfer Agent of the Company.

Shareholders, beneficial owners and depository participants (DPs) are requested to send / deliver the documents / correspondence relating to the Company's share transfer activity etc. to Link Intime India Private Limited, the Registrar and Transfer Agent of the Company at the following address:

Link Intime India Private Limited  
Unit: Hitech Plast Limited  
C-13, Pannalal Silk Mills Compound,  
LBS Road, Bhandup (West), Mumbai – 400 078  
Tel. 2596 3838 Fax: 2596 2691  
E-mail: mumbai@linkintime.co.in

Members are requested to quote their e-mail address, telephone number and full address for prompt reply to their communication.

Members are further informed that a separate cell called Client Co-ordination Department has been set up to serve as single point contacts for the shareholders. The email address is [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) and telephone number is 022-25946970

Website: [www.hitechplast.co.in](http://www.hitechplast.co.in)

The Company's website provides for the benefit of shareholders relevant information.

**E-mail ID for Investor's Grievances:**

The e-mail address for investor grievance is investor.help@hitechplast.co.in

The above exclusive e-mail id is disclosed by the Company on its websites and all the various materials, correspondence, publications and communication to the shareholders at large.

**Plant locations:**

Company Plants located at:

<b>SANASWADI</b>	<b>MASAT</b>	<b>PUDUCHERRY</b>
Gut Nos. 939 & 940 Village : Sanaswadi Tal. Shirur, Dist. Pune, Maharashtra 412 208.	Silvassa Technopark Bldg, Behind Santogen Mills, Masat, Silvassa 396 230	RS No. 146/3/4/5 Ariyur Viillage, Villianur Commune, Puducherry 605 102.
<b>SRIPERUMBUDUR</b>	<b>GALONDA</b>	<b>ROHTAK</b>
F-16/ SIPCOT Industrial Park, Kancheepuram, Sriperumbudur, Tamil Nadu 602 106	Survey No. 374/1 Village Galonda, Silvassa Kelvani Road, Silvassa 396 230	Plot No.2, Sector 30B, Industrial Model Township(IMT), Rohtak, Haryana – 124 001
<b>TECHNOLOGY CENTRE</b>		
28/9, D-2 Block, MIDC, Chinchwad, Pune – 411 019		

Subsidiary company and its plants : **CLEAR MIPAK PACKAGING SOLUTIONS LIMITED**

<b>UNIT I &amp; II NAROLI</b>	<b>UNIT SARIGAM</b>	<b>UNIT PPMF</b>	<b>UNIT I &amp; II BADDI</b>
709/3/1/1, Vadfalia, Bhilad Naroli Road, Naroli, Silvassa - 396 235	4923 Plastic Zone, Road No. 46A, Manda Village, GIDC Sarigam, Gujarat 396 155	4615/16 Plastic Zone Road, Manda Village, GIDC , Sarigam Gujarat 396 155	Khasra No. 544/151 Village Dhana Tehsil Nalagrah Dist Solan HP 174101
<b>UNIT MP</b>	<b>UNIT PK</b>	<b>UNIT DADRA</b>	<b>UNIT SITARGANJ</b>
A-1/912-913, G.I.D.C., Umbergaon, Dist. Valsad, Gujarat – 396 171	Plot No.G-10, O.I.D.C. Udyog Nagar Indl. Estate, Village Ringanwada, Daman – 396 210	Survey No. 259/21/1, Demini Road, Arihant Indl. Estate, Dadra – 396 230 (U.T. of D&N.H) 396230	Plot No. D-63, Phase -2 Eldeco Sidcul Industrial Park, Sitarganj, Uttarakhand 262 405

**Important Communications to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members holding shares in physical form are requested to register their email Id with RTA agent of your Company.

**Address for correspondence:****Registered Office:**

HITECH PLAST LIMITED  
C-130, Solaris - 1,  
Opp. L&T Gate No. 6,  
Powai, Mumbai 400 072.  
Tel. +91 22- 4001 6500

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

I hereby confirm that the Company had adopted Code of Conduct for all the Board Members and Senior Management Personnel of the Company, in consonance with the requirement under Clause 49(I)(D) of the Listing Agreement. The Code of Conduct had been posted on the website of the Company. I further hereby confirm that the Company has obtained from all the Board Members and the Senior Management Personnel, an affirmation of compliance with the Code of Conduct, for the financial year ended 31st March, 2011.

Jaipur  
28<sup>th</sup> May, 2011

**Ashok K. Goyal**  
Managing Director

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF HITECH PLAST LIMITED**

We have examined the compliance of conditions of Corporate Governance by HITECH PLAST LIMITED ('the Company') for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreements of the Company entered in to with the Stock Exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Shah & Co.**  
Chartered Accountants  
FRN: 109430W

Mumbai  
28<sup>th</sup> May, 2011

**A. H. SHAH**  
Partner  
M. No. 103750



## NOTICE

NOTICE is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of HITECH PLAST LIMITED will be held at Indian Merchants' Chamber, 4th Floor, Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020, on Saturday, the 30th day of July 2011, at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Accounts for the year ended 31st March, 2011 together with the Report of the Board of Directors and Auditors' thereon.
2. To consider and declare payment of dividend on Equity Shares for the Financial Year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Harish N. Motiwalla, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rameshchandra S. Gandhi, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. Shah & Co., Chartered Accountants as Auditors of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Shah & Co., Chartered Accountants, (Registration No. 109430W) be and are hereby appointed 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 of the Company on such terms and conditions as to the remuneration, as shall be fixed by the Board of Directors and Auditors mutually."

### SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Somasekhar Sundaresan, who was appointed by the Board of Directors as an Additional Director with effect from 28th September, 2010 under Article 107 of the Articles of Association of the Company and who by virtue of the provisions of Section 260 of the Companies Act, 1956 (the Act), holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Ashwin R. Nagarwadia, who was appointed as a Director in casual vacancy pursuant to Section 262 of the Companies Act, 1956 and holds the office upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. 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 held on 23rd September, 2006 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 ₹ 1000 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.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

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

**"RESOLVED THAT** pursuant to Section 293(1)(a) 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 and subject to the approvals, consents, permissions and sanctions as may be necessary from the authorities concerned and subject to such terms and conditions as may be imposed by them, consent be and is hereby accorded to the Board of Directors of the Company, to sell, lease or mortgage, charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immoveable properties and assets of the Company, to secure the repayment of term loan/financial assistance obtained/to be obtained for business purpose for an amount not exceeding ₹ 1000 Crores for availing credit facilities from various Financial Institutions and Banks for the Company, or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or if Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to vary and/or alter the terms and conditions of the security aforesaid in consultation with the financial institutions/banks/other lenders and mortgages as may be necessary.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to prepare, finalise and execute in favour of the said financial institution/banks/other lenders the documents, writing and such other agreements, as may be necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

Registered Office:  
C-130, Solaris - 1,  
Opp. L & T Gate No. 6,  
Powai, Mumbai – 400 072.

Mumbai  
28<sup>th</sup> May, 2011

By Order of the Board

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

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## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Businesses as set out in the Notice is annexed hereto.
3. All the documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays, Sundays and Public Holidays between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July, 2011 to 30th July, 2011 (both days inclusive).
5. Dividend on Equity Shares, recommended by Directors, if approved by the Members at the Annual General Meeting, will be credited/ dispatched between 1st August, 2011 and 8th August, 2011 to those members whose names shall appear on the Company's Register of Members on 21st July, 2011 in respect of dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

6. Members holding shares in physical form are requested to lodge Share Transfer documents and all other correspondence and queries relating to Share Transfer, Share Certificates, Change of Address etc., to the Company's Registrar & Transfer Agent i.e. Link Intime India Private Limited (earlier known as Intime Spectrum Registry Limited) having their office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai – 400 078. Members are also requested to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request to the Company. The Securities and Exchange Board of India (SEBI), vide its Circular No.MRD/DoP/Cir-05/2009 dated 20th May, 2009 and SEBI/MRD/DoP/SE/RTA/Cir-08/2010 dated January 07, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN card to the Company for registration of physical transfer of shares and for transmission, deletion and transposition of shares in physical form.
7. Members, who still continue to hold shares in physical form are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialized form. The Securities and Exchange Board of India (SEBI), vide its Circular No. SEBI/Cir/ISD/1/2010 has made mandatory to achieve at least 50% of non-promoters holding in dematerialized form by 31st October, 2010 to encourage better price discovery and to increase transparency in securities market for all companies traded in normal segment of exchange. Your Company had already complied with the circular. The shareholders have the option to hold Company's shares in demat form through National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
8. Members holding shares in the electronic form are advised to inform changes in address / bank mandate directly to their respective Depository Participants. The address / bank mandate as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
9. The Reserve Bank of India (RBI) has provided an Electronic Clearing Scheme (ECS) to the investors as an option to receive dividend through their bank accounts rather than receiving the same in the form of dividend warrants. Under this option, an investor's bank account is directly credited and intimation thereof is sent by the Company to the shareholder.  
  
This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate warrants.
10. Investors who would like to avail this facility and are holding shares in physical form may send in their ECS Mandate Form, duly filled in to the Company's Registrar and Transfer Agent, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (West), Mumbai – 400 078. The ECS Mandate Form with instructions will be available at the Registered Office of the Company.
11. Investors holding shares in demat or electronic form may send in their ECS mandate to the concerned Depository Participant (DP) directly, in the format prescribed by the DP. Pursuant to the Depository Regulations, the Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or Registrar and the Transfer Agent cannot make any change in such records received from the Depository.
12. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the CFO & Company Secretary at least seven days prior to the meeting so that the required information can be made available at the Meeting.
13. Members attending the Meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
14. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
15. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.

16. Brief resume of all Directors including those proposed to be appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 (IV)(G) of the Listing Agreements with the Stock Exchanges in India, are provided in the Report on the Corporate Governance forming part of the Annual Report.
17. In terms of Section 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to unpaid dividend account is required to transfer to the Investor Education and Protection Fund (IEPF). Accordingly, the Company would be transferring the unclaimed or unpaid Dividend as per details given below, to the Investor Education and Protection Fund (IEPF) on or before dates mentioned below. Shareholders are requested to ensure that they claim the dividend's from the Company before transfer of the said amounts to the IEPF.

Financial Year	Type	Unclaimed dividend amount as on 31.03.2011 (in ₹)	Due Date for transfer to IEPF
2005-2006	Final	1,35,156	22.10.2013
2006-2007	Final	1,29,854	21.10.2014
2007-2008	Final	1,59,029	19.10.2015
2008-2009	Final	1,75,830	25.10.2016
2009-2010	Final	2,16,779	03.10.2017

Registered Office:  
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Mumbai  
28<sup>th</sup> May, 2011

By Order of the Board

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

## ANNEXURE TO THE NOTICE

**I 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 30th July, 2011.

**Item No. 6:**

Mr. Somasekhar Sundaresan was appointed as an Additional Director with effect from 28th September, 2010. Pursuant to Section 260 and Article 107 of the Articles of Association of the Company, he holds office upto the date of the ensuing Annual General Meeting.

Mr. Somasekhar Sundaresan, aged 38 years, holds a Law Graduate degree from Government Law College, University of Mumbai. Presently, he is a Partner at J Sagar Associates, Advocates & Solicitors (Firm) since year 2002. Mr. Somasekhar Sundaresan heads the Securities Law and Private Equity practice of the Firm. He has extensive experience in dealing with foreign investments into India, both in the form of strategic direct investment and portfolio investment. Primarily a transactional lawyer, his practice covers Private Equity investments, hostile and friendly listed takeovers, delisting and court-overseen Mergers & Acquisitions. He is also actively involved in regulatory proceedings and contentious practice involving Securities Law and acts as counsel before the Securities Exchange Board of India (SEBI), Securities Appellate Tribunal (SAT) and the Supreme Court of India in such matters.

A shareholder has given notice along with deposit of ₹ 500/- under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Somasekhar Sundaresan as a Director at the ensuing Annual General Meeting. A copy of the above notice is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company excluding Saturday, Sunday and public holiday.

The Board recommends appointment of Mr. Somasekhar Sundaresan as a Director of the Company.

Excepting Mr. Somasekhar Sundaresan, no other Director of the Company may be deemed to be concerned or interested in the Resolution at item no. 6 of this Notice.

**Item No. 7:**

Mr. Ashwin R. Nagarwadia was appointed in Casual Vacancy with effect from 31st January, 2009 in place of Mr. Anand Bhatt who expired on 28th November, 2008. Pursuant to Section 262 and Article 106 of the Articles of Association of the Company, he holds the office of Directorship upto the term of Mr. Anand Bhatt in which place he was appointed.

Mr. Ashwin R. Nagarwadia is B. Sc. (Eng) and was also the Ex-Chairman and Managing Director of Ingersoll Rand (I) Limited. The experience and knowledge of Mr. Ashwin R. Nagarwadia will immensely help the Company to expand.

A shareholder has given notice along with deposit of ₹ 500/- under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Ashwin R. Nagarwadia as a Director at the ensuing Annual General Meeting. A copy of the above notice is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company excluding Saturday, Sunday and public holiday.

The Board recommends appointment of Mr. Ashwin R. Nagarwadia as a Director of the Company.

Excepting Mr. Ashwin R. Nagarwadia, no other Director of the Company may be deemed to be concerned or interested in the Resolution at item no. 7 of this Notice.

**Item No. 8 & 9:**

At the Annual General Meeting of the Members of the Company held on 23rd September 2006, the Members had pursuant to provisions of Section 293(1)(d) and 293(1)(a) of the Companies Act, 1956, authorised the Board of Directors of the Company to borrow from time to time a sum or sums of money apart from temporary borrowings from the Bankers in the ordinary course of business in excess of the aggregate of the Paid-Up Share Capital of the Company and its free reserves provided that the sum or sums of money so borrowed and remaining outstanding at one time shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores Only) and to sell, lease or create any security on the assets of the Company upto a limit of ₹ 500 Crores for availing credit facilities from various Financial Institutions and Banks for the Company, keeping in view the Company's requirements and its growth plans.



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 ₹ 1000 Crores at any point of time, for your approval.

Section 293(1)(a) of the Companies Act, 1956 provides, interalia, that the Board of Directors of a Public Company shall not, without the consent of shareholders in the General Meeting, sell, lease or create any security on the assets of the Company or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or if Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. Since the mortgage of the Company's immovable and movable properties may be regarded as disposal of Company's properties/undertakings, consent of the Members is being sought for the purpose.

The Board of Directors accordingly recommends the Resolutions set out at Item No. 8 and 9 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company, is in any way interested or concerned in this Resolution.

Registered Office:  
C-130, Solaris - 1,  
Opp. L & T Gate No. 6,  
Powai, Mumbai – 400 072.

Mumbai  
28<sup>th</sup> May, 2011

By Order of the Board

**Bhupendra P. Dusara**  
Chief Financial Officer &  
Company Secretary

**HITECH PLAST LIMITED**

REGISTERED OFFICE

C/130, Solaris -1, Opp. L & T Gate No. 6, Powai, Mumbai – 400 072

**TWENTIETH ANNUAL GENERAL MEETING**

**ATTENDANCE SLIP**

Regd. Folio No. \_\_\_\_\_

DP ID / Client ID No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

(To be filled by the shareholder)

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company being held on Saturday, the 30th day of July 2011, at 11.30 a.m. at Indian Merchants' Chamber, 4th Floor, Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020.

\_\_\_\_\_  
Member's Name (in Block Letters)

\_\_\_\_\_  
Member's/Proxy's Signature

**NOTE:**

1. A Member/Proxy attending the Meeting must complete this Attendance Slip and hand it over at the entrance.
2. Member intending to appoint a Proxy should complete the Proxy Form below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the Meeting.

**HITECH PLAST LIMITED**

REGISTERED OFFICE

C/130, Solaris -1, Opp. L & T Gate No. 6, Powai, Mumbai – 400 072

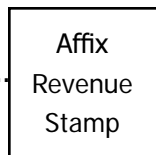
**TWENTIETH ANNUAL GENERAL MEETING**

**PROXY FORM**

I/We.....  
.....of..... in the district of ..... being a member(s) of the  
above named Company hereby appoint .....of .....  
.....in the district of .....or failing him .....  
of.....in the district of ..... as my/our Proxy to vote for me/our behalf at  
the Twentieth Annual General Meeting of the Company to be held on Saturday, the 30th day of July 2011, and at any  
adjournment thereof.

Signed this ..... day of ..... 2011.

Signature.....



Regd. Folio No. \_\_\_\_\_

DP ID / Client ID No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

**NOTE:**

1. The Proxy need not be a Member of the Company.
2. The Proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding of the Meeting.

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## **HITECH PLAST LIMITED**

REGISTERED OFFICE

C/130, Solaris -1,  
Opp. L & T Gate No. 6,  
Powai, Mumbai – 400 072.  
[www.hitechplast.co.in](http://www.hitechplast.co.in)