

# Manjushree Technopack Limited, Bangalore

Annual  
Report  
2011



**INTO THE NEW DECADE**  
WITH GREATER SPEED AND AGILITY.



**Manjushree**  
ADVANCED PACKAGING SOLUTIONS



## ***My Dear Shareholders,***

*I take this opportunity to share with you with immense satisfaction of our Company's performance and growth. The enclosed Annual Report provides you with detailed financials and relevant information highlighting the operations of the Company and its standing.*

*Amongst many other achievements, one of the significant milestones that your Company embarked upon was the listing of its shares on National Stock Exchange. With this your Company has achieved a yet other feat and continues to respond to your trust and support bestowed upon us. Your Company has shown excellent trends of growth and agility and we will do everything possible to maintain this leadership position. Being the largest convertor of PET in India today, the Company will sustain its focus on growing markets for packaging materials to serve the FMCG fraternity and other mid-size customers. On a consolidated basis your Company has clocked 32,954 tonnes of PET including all operations i.e. equivalent to almost 8.5% of entire India's consumption of PET.*

*You would have noticed that your Company has achieved significant growth and profitability, and has emerged to be one of the most respected brands within the packaging industry. We continue to counter competition from unorganized sectors with our superior quality and services. We will have a strong customer focus and explore exports markets, which will help your Company to perform well this year too.*

*On the expansion front, your Company will continue its growth plans at 2 more locations in Bangalore in Bidadi and Harohalli Industrial Areas. Both the properties were acquired during the Global Investors Meet from the Government of Karnataka and the construction for Bidadi Industrial Area is due to start by October 2011 and will be completed by end of 2012. At Harohalli, construction will be taken up in Phase-II. This initiative was taken as a part of the Company's vision 2020 where we would require the most modern facility with all the possibilities of automation, simplification and above all Green*

*Field Project. It is our endeavor to make these Plants one of the greenest, cleanest and the fastest in the world with all possible lean management practices. Your Company has strong customer loyalty and brand image with domestic FMCG customers making it a preferred supplier for them and with this support we will continue to move forward.*

*This year we have taken certain initiatives to widen our target industries by focusing on 3 main areas i.e. liquor, pharma and personal care packaging wherein growth has been steady and consistent. We have upgraded our operations and machineries to align ourselves with this initiative and focus on these markets. Your Company has progressed from day one due to its penchant for innovation and hunger for doing things completely different from others. This has reaped excellent results and some products continue to be a monopoly within the industry.*

*I am also happy to inform you that your Company is strengthening its CSR initiatives. We have formed "The Manjushree Scholarship Foundation" which awards scholarships to the students pursuing courses in the packaging industry. We felt this was one of the best ways to give back to the industry in a sustainable manner. Another initiative that we undertook was to tie hands with one of our leading customers to build clean sanitation facilities for government schools in rural areas, to ensure support rural education.*

*Our strategies to have a diversify customer mix, new focus areas for our products along with continued focus on cost effective manufacturing and customers satisfaction gives me ample confidence that Manjushree will continue to perform well in the coming years. As we march ahead with confidence, we seek your support and good wishes in this journey and I will connect with you again very soon.*

*With warm personal regards,*

*Yours sincerely,  
**Vimal Kedia**  
**Managing Director***

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## **BOARD OF DIRECTORS**

Vimal Kedia, Managing Director  
Surendra Kedia, Executive Director & Compliance Officer  
Rajat Kedia, Director  
Ankit Kedia, Director  
G. Vamanacharya, Director  
R.P. Agarwal, Director  
J.K. Singhania, Director  
N.K. Sarawgi, Director

## **COMPANY SECRETARY**

Basant Kumar Mohata

## **PRINCIPAL BANKERS**

State Bank of India, Industrial Finance Branch  
#61, Residency Plaza, Residency Road, Bangalore-560 025

## **AUDITORS**

**Singhvi Devi & Unni**  
9<sup>th</sup> Floor, Trade Centre, #29/4  
Race Course Road, Bangalore – 560 001

## **REGISTRARS & SHARE TRANSFER AGENTS**

**Integrated Enterprises (India) Limited**  
30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road,  
Malleswaram, Bangalore – 560 003  
Tel: (080) 2346 0815 / 818 Fax: (080) 2346 0819  
Email: [alfint@vsnl.com](mailto:alfint@vsnl.com)

## **REGISTERED OFFICE & UNIT 1**

#143C5, Bommasandra Industrial Area,  
Hosur Road, Bangalore – 560 099 (Karnataka)  
Tel: (080) 4343 6100 Fax: (080) 2783 3819  
Email: [info@manjushreeindia.com](mailto:info@manjushreeindia.com)  
Website: [www.manjushreeindia.com](http://www.manjushreeindia.com)

## **INNOVATION DIVISION & UNIT II**

#60E & 60F, Bommasandra industrial Area,  
Hosur Road, Bangalore – 560 099 (Karnataka)  
Tel: (080) 4343 6200 Fax: (080) 2783 2245  
Email: [manjushreeinnovation@vsnl.net](mailto:manjushreeinnovation@vsnl.net)

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors have the pleasure of presenting the **Twenty Fourth Annual Report** of the Company together with the Audited Annual Accounts for the year ended 31st March, 2011.

### PERFORMANCE HIGHLIGHTS

Pursuant to the Listing Agreement with Bombay and National Stock Exchanges, the operating results of the Company for the year under review have been analysed hereunder:

(Rs. in lacs)

Particulars	FY 2011	FY 2010
<b>Turnover</b> - Domestic	23,112.11	15,254.59
- Exports	1,073.39	750.83
<b>Total Turnover</b>	<b>24,185.50</b>	<b>16,005.42</b>
<b>Less: Cost of Sales</b>		
Excise Duty	2,568.00	1,102.18
(Increase) / Decrease in Stocks	(1,473.58)	(942.69)
Materials Consumed	11,911.38	8,172.59
Other Expenditure	5,466.79	4,139.09
<b>Sub Total</b>	<b>18,472.59</b>	<b>12,471.17</b>
<b>Gross Profit</b>	<b>5,712.91</b>	<b>3,534.25</b>
Administrative and Selling Expenses	954.76	700.35
<b>Operating Profit</b>	<b>4,758.15</b>	<b>2,833.90</b>
Interest and Financial Charges	624.36	352.71
Depreciation / Write Offs	1,934.39	1,003.12
<b>Profit after Interest and Depreciation</b>	<b>2,199.40</b>	<b>1,478.07</b>
Other Income	60.84	79.47
Previous Years' Adjustment	-	-
<b>Profit before Tax</b>	<b>2,260.24</b>	<b>1,557.54</b>
Provision for Taxation	780.00	283.10
Deferred Tax (Provision) / Write Back	0.98	217.18
<b>Net Profit after Tax</b>	<b>1,479.26</b>	<b>1,057.26</b>
Proposed Dividend for the year (including taxes)	157.98	158.50
<b>Retained Surplus</b>	<b>1,321.28</b>	<b>898.76</b>
Add: Surplus brought forward from previous year	1,437.24	628.48
Less: Transfer to General Reserve	0.00	90.00
<b>Net Surplus carried to Balance Sheet</b>	<b>2,758.52</b>	<b>1,437.24</b>
Paid-up equity share capital (FV Rs.10 per equity share)	1,354.77	1,354.77
Reserves and Surplus (excluding revaluation reserves)	6,810.93	5,489.65
<b>Weighted Average EPS – Fully Diluted (Rs.)</b>	<b>10.92</b>	<b>7.80</b>
<b>Book Value per share – Fully Diluted (Rs.)</b>	<b>60.06</b>	<b>50.10</b>

The turnover for FY 2011 was higher at Rs.24,185.50lacs (2010 - Rs.16,005.42lacs) reflecting an increase of 51%. The gross profit during FY 2011 was higher at Rs5,712.91lacs (2010 - Rs.3,534.25lacs) reflecting an increase of 62%, while the operating profit showed a jump of 68% to Rs.4,758.15lacs (2010 – Rs.2,833.90lacs). The profit before tax during FY 2011 was also higher at Rs.2,260.24lacs (2010 - Rs.1,557.54lacs) reflecting an increase of 45%. After provision for taxation, the net surplus amounted to Rs1,479.26lacs (2010 - Rs.1,057.26lacs) resulting in a fully diluted EPS of Rs.10.92 (2010 – Rs.7.80). The notes on accounts referred to in Auditors' Report are self-explanatory and do not call for any further comments except clause (g) of the Auditors' Report. The Company has obtained the Actuary Valuation Report since audit. As per the Actuary Valuation the liability on leave is Rs.45.28lacs whereas the Company financials recorded the liability at Rs.58.32lacs based on the actual leave benefit entitlement to its employees as per their terms of appointment.

## **DIVIDEND**

Your Directors recommend a dividend @Rs.1 per share being 10% on the face value of Rs.10 per equity share (involving an outflow of Rs.157.98lacs including dividend tax) which will be paid subject to approval by Shareholders in the Annual General Meeting, to the members whose names appear in the register of members on 26<sup>th</sup> September, 2011.

The dividend payout for the year under review has been formulated in accordance with the Company's policy of striving to pay stable dividend linked to long term performance and growth plans.

## **OPERATIONS**

Overall installed capacity of plant has increased to 36,650 MTPA in view of expansion cum diversification project completed during the year, as compared to 29,210 MTPA as at the end of the previous year. The major expansion is for the manufacture of PET Preforms to the tune of 6,000 MTPA and the balance of 1,440 MTPA capacities have been added for the manufacture of containers. The actual production of containers and preforms during the year amounted to 13,934 MT (2010 – 10,827 MT) excluding conversion jobs of 18,910 MT (2010 – 10,944) resulting in a capacity utilisation of 90% of year-end installed capacity.. The turnover of manufactured items was 12,961 MT (2010 – 9,711 MT). The Company continues to have a strong focus on innovation, research and development for sustained growth while enjoying a preferred supplier status with most of its esteemed clientele in FMCG, Pharma and allied sectors. It has a dedicated team of technically qualified / trained personnel and professionals controlling different operational segments in a decentralized environment.

## **FINANCE**

During the year under review, the Company has continued to avail financial assistance from State Bank of India, its esteemed Bankers, by way of Rupee Term Loans and Cash Credit limits on competitive terms for its operational and capital expenditure requirements. The Company has availed a term loan of Rs. 5,174lacs (sanctioned limit Rs. 8,200lacs) for the expansion cum diversification project, out of which Rs. 1,117.80lacs have since been repaid. The company has also availed buyer's credit of Rs.3,515.52lacs, which is repayable during the FY 2011-12 by utilisation of Rupee Term / Cash Credit Loans sanctioned by State Bank of India. The Directors confirm that the funds obtained by the Company by way of term loans / working capital borrowings have been duly utilised for the purposes for which the same are meant.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

An Annexure to this Report contains a detailed Management Discussion Analysis, which, *inter-alia* covers, the following aspects of Company's operations and prospects:

- Industry Structure and Development;
- Opportunities and threats, risks and concerns;
- Internal Control Systems and their adequacy;
- Human Resources and Industrial Relations;
- Discussion on financial performance with respect to operational performance;
- Outlook for the future.

### **CORPORATE GOVERNANCE**

As required by Clause 49 of the Listing Agreements with the Stock Exchanges, a detailed report on compliance of the Corporate Governance requirements is annexed to this report alongwith certification of Managing Director on the adherence to code of conduct. The Certificate from the Company's Statutory Auditors on the same is also attached to this report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures;
- ii) The Directors 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 at the end of financial year and of the profit or loss for the period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis.

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

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule, 1988 is annexed.

### **EMPLOYEES**

None of the employees of the company is covered under the reporting requirements of section 217(2A) of The Companies Act, 1956.

### **DIRECTORS**

Pursuant to the Articles of Association of the Company and the provisions of the Companies Act, 1956,, Sri. J.K.Singhania and Sri. R P Agarwal, both Directors, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

### **AUDITORS:**

M/s Singhvi, Dev & Unni, Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, having confirmed the same in the prescribed manner, offer themselves for reappointment.

**ACKNOWLEDGEMENTS**

The Directors wish to place on record their sincere gratitude for the co-operation, guidance, support and assistance provided during the year by its Bankers, Registrars and Share Transfer Agents, Industries Dept. of Govt. of Karnataka, Local Authorities, Suppliers, Contractors, Customers and Vendors. Your Directors also wish to express their deep sense of appreciation for the dedicated services rendered by the staff at all levels towards its successful operations. The Directors also thank the shareholders of the Company for reposing their faith in the Company and for giving their dedicated and ever-willing support towards taking the Company forward on the path of progress and growth.

**For and on behalf of the Board**

**Bangalore,  
27<sup>th</sup> May, 2011**

**Vimal Kedia  
Managing Director**

**Surendra Kedia  
Executive Director**

**Information pursuant to Section 217(1) (e) of the Companies Act, 1956, to the extent applicable, in accordance with  
Companies (Disclosure of Particulars in the  
Report of Board of Directors) Rules, 1988 for the year ended March 31, 2011**

**A. CONSERVATION OF ENERGY :**

- (a) Energy conservation measures taken : The company is closely monitoring its energy consumption levels through in-house system as well as external agencies.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. : No significant investment / proposal are envisaged in respect of reduction of present consumption levels of energy.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. : Not possible to identify specifically.
- (d) Total energy consumption and energy consumption per unit of production : **As per Form 'A' hereunder.**

**FORM – A****Form for disclosure of particulars with respect to conservation of energy**

<b>I. POWER AND FUEL CONSUMPTION</b>				
<b>1. Electricity</b>		<b>31.03.2011</b>	<b>31.03.2010</b>	
<b>(a) Purchased</b>				
No. of Units in lacs (KWH)		303.74		220.79
<b>Total Amount Rs. in lacs</b>		1,549.97		1,091.68
Rate / Unit (KWH) (Rs.)		5.10		4.94
<b>(b) Own Generation through Diesel Generator</b>				
No. of Units (KWH) Generated in lacs		7.77		10.33
Units Per Litre of diesel oil		3.06		2.90
Cost / Unit in Rs.		10.22		10.84
2. Coal		-		-
3. Furnace Oil		-		-
4. Others		-		-
<b>II. CONSUMPTION PER UNIT OF PRODUCTION (to the extent applicable)</b>				
<b>Particulars</b>	<b>Standard</b>	<b>Unit</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
Production (Containers & Preforms)	N.A.	MT	13,934	10,827
Production (Conversion)	N.A.	MT	18,910	10,944
Consumption of Electricity per ton (incl. own generation)	None	KWH	925	1,062
Consumption of Diesel Oil per ton	None	Kilo Litres	7.73	16

**B. TECHNOLOGY ABSORPTION:**

- (e) Efforts made in technology absorption as per Form – B is detailed hereunder:

**FORM – B**
**Form for disclosure of particulars with respect to absorption**
**I. RESEARCH AND DEVELOPMENT (R & D)**

1. Specific areas in which R & D carried out by the Company. : The Company is making in-house R & D efforts for introduction/development of value added products.
2. Benefits derived as a result of the above R & D : New products have been introduced giving an edge to the Company in present day competitive market.
3. Further Plan of action : The Company intends to continue its R & D efforts.
4. Expenditure on R & D
  - (a) Capital : Not possible to identify.
  - (b) Recurring : - do -
  - (c) Total : - do -
  - (d) Total R & D expenditure as % of total turnover : - do -

**II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts in brief made towards technology absorption, adaptation and innovation. : Does not arise.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. : Does not arise.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:
  - (a) Technology imported : None
  - (b) Year of Import : N.A.
  - (c) Has technology been fully absorbed? : N.A.
  - (d) If not fully absorbed, area where this has not taken place reason thereof and future plan of action : N.A.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- (f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services; export plans. : The Company is continuing to make efforts on an ongoing basis to explore suitable export opportunities, as and when it arises for any particular application.

*(Rs.in lacs)*

<b>(g) Total foreign exchange used and earned:</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>A. FOREIGN EXCHANGE EARNINGS:-</b>		
Export Sales (including exchange difference & excluding Rupee exports)	985.02	552.37
<b>B. FOREIGN EXCHANGE OUTGO:-</b>		
- Capital Equipment	1,014.25	2,118.53
- Raw Materials	1,472.60	1,035.83
- Spares & Consumables	31.13	18.25
- Travelling Expenses	7.82	5.85
- Bank Charges (Import and FBC)	0.35	0.48
- Interest on FCNRB and PCFC Loans	90.47	35.67
- Machine Hire Rent Charges	-	18.05
- Others	12.97	0.40
<b>Total (B)</b>	<b>2,629.59</b>	<b>3,233.02</b>

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**  
**(Annexed to the Directors' Report for the Year Ended 31<sup>st</sup> March 2011)**

In line with best international practices, Manjushree Technopack Ltd. (referred to hereinafter as 'Manjushree' or 'Your Company') now reports the financial results and other corporate / market developments during the period April'10 to March'11 in respect of the Company.

**INDUSTRY STRUCTURE AND DEVELOPMENT**

Manjushree, an ISO 22000:2005 certified company, is today one of the largest producers of customized Blow and Injection Moulded Containers (Bottles and Jars ranging from 30 ml to 15 Ltrs in various sizes and designs) in PET, PET Preforms, Multilayer, HDPE, PP and other variety of polymers employing state of the art Japanese and European technologies. The Company manufactures technologically advanced packaging materials for special applications in Food Products, Beverages, Pharmaceuticals, Cosmetics, Agro-chemicals and allied sectors, which are different than a regular plastic container in terms of performance and quality.

The Plastic Containers industry is today growing with leaps and bounds in the country in terms of quantity as well as value, but the impact of economic slow down is very evident in the plastic industry as well. The growth in the plastic sector is projected at almost 12%-14% per annum in the coming financial year. Your Company is committed to improve the quality of the packaging medium being made available to its institutional customers as well as consumers in general, primarily in the categories of PET Containers, Multilayer Bottles, PET Preforms, Hot Fill Bottles and other customized containers. By sustaining quality vis-à-vis pricing, your company is contributing to industry specific as well as economic growth in general. Currently, your Company caters to demand from reputed names such as Unilever, Tata Tea, Nestle, P&G, Glaxo Smithkline, Heinz, Cadburys, Britannia, Wrigley's, Colgate, Bisleri, Coca Cola, PepsiCo, etc., just to name a few. The Company has been awarded World Star, Asia Star and India Star awards on various packaging innovations undertaken from time to time. Sri Vimal Kedia, Managing Director of the Company is also the recipient of President's Award for outstanding entrepreneurship.

Manjushree's business model is based on focussed growth across all territories driven by continuously improving value propositions to customers, market expansion and widening its retail reach, which ensures the Company's presence in varied product categories without any particular dependence. Almost all the segments that your Company is in at present are characterized by a large organised sector comprising of mainly institutional clients.

**OPPORTUNITIES AND THREATS**

Despite the competition and influence of external economic factors, your Company has continued to grow and maintain its market share / leadership. Competition remains a threat, which needs to be tackled on a continuous basis. Your Company, like many other players in the plastic segment, has been facing the menace of unfair competition from unorganized sector, manifesting itself in the form of duplicates, clones and pass offs and necessary measures have been initiated by the company to combat this menace by way of technology innovation, product upgradation, quality reorientation and field level market penetration.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Manjushree maintains adequate internal control systems and procedures for effective management of its business commensurate with its size and the nature and complexity of the organisation. The Top Management has vast experience in corporate affairs which is evident from their leadership, guidance and control. The Finance Department is well staffed with experienced personnel who play an important role in implementing and monitoring the internal control environment and compliance with statutory requirements. The Audit Committee is well equipped to address significant issues raised by Auditors.

**RISKS AND CONCERNS**

Your Company has a well structured risk management system. An efficient management team identifies various risks and takes necessary mitigation action against the same. The inventories of risk affecting your company are:

- Macro economic factors like general economic slowdown, sluggish demand conditions, unforeseen political and social upheavals, natural calamities etc. are likely to affect the business prospects of your Company as also the industry at large.
- With competition intensifying in all segments of the industry, increasing the market share and consumer base is a continuing challenge. Developments in the technology - both 'hard' as also 'soft' are also other critical areas.
- Cost and availability of some key raw materials and consumables are an area of concern. Moreover, changes in statutory legislation also have a bearing on business performance.
- The use of plastic products on various issues is being discouraged in the country by various government / non-government organisations, which is an area of concern.

Your Company has, however, not been significantly impacted by these risk / concern factors due to the market equity commanded by the Company through patronisation of its institutional customers, continuous introduction of technologically superior value added products and a strong marketing network backed by a technically strong management team.

### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company is of the opinion that Corporate Social Responsibility is a necessity and not a choice. We believe that it is not just an obligation but a way of corporate life. As a responsible corporate citizen, the Company has put in place several initiatives to fulfil its social responsibility and contribute actively to society. Your Company has emphasized on eco-friendly packaging solutions, that is, packaging keeping in mind the economy as well as the environmental friendliness. The change in name of the Company to Manjushree Technopack Limited also signifies the zeal with which we want to adopt the latest and most advanced technology that ensures sustainable use of resources and recycling of waste. At the same time your Company also contributes to a healthy corporate culture in our country.

Your Company's both manufacturing facilities have been installed with the Rain Water Harvesting System to conserve the Rain Water. The Company has also constituted Scholarship Scheme to the students pursuing their excellence in Plastic education.

### **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Your Company believes that competent and motivated manpower is an important factor for achieving goals. The Company ensures requisite steps for rationalisation of manpower as a cost control measure, while it keeps an eye on potentially bright people to motivate and retain them. Manjushree recognizes that nurturing and recruiting the best talent is vital to long term success of the enterprise. Employees are provided with continuous opportunities for active learning which are viewed as key drivers to personal growth and simultaneously the success of your Company. The performance management system reinforces our work ethics.

### **FINANCIAL PERFORMANCE VIS-A-VIS OPERATIONAL PERFORMANCE**

The turnover for FY 2011 was higher at Rs. 24,185.50 lacs (2010 - Rs. 16,005.42 lacs) reflecting an increase of 51%. The gross profit during FY 2011 was higher at Rs.5,712.91 lacs (2010 - Rs.3,534.25 lacs) reflecting an increase of 62%, while the operating profit showed a jump of 68% to Rs.4,758.15 lacs (2010 – Rs.2,833.90 lacs). The profit before tax during FY 2011 was also higher at Rs.2,260.24 lacs (2010 - Rs.1,557.54 lacs) reflecting an increase of 45%. After provision for taxation, the net surplus amounted to Rs.1,479.26 lacs (2010 - Rs. 1,057.26 lacs) resulting in a fully diluted EPS of Rs. 10.92 (2010 – Rs. 7.80)

### **OPERATIONS**

Overall installed capacity of plant has gone upto 36,650 MTPA in view of expansion cum diversification project completed during the year, as compared to 29,210 MTPA as at previous year end. The major capacity additions have been for the manufacture of PET Preforms to the tune of 6,000 MTPA and the balance of 1,440 MTPA capacities have been added for the containers. The actual production of containers and preforms during the year amounted to 14,045MT (2010 – 10,827 MT)

excluding conversion jobs of 18,910 MT (2010 – 10,944) resulting in a capacity utilisation of 90% of year-end installed capacity on absolute basis. The turnover of manufactured items was 12,961 MT (2010 – 9,711 MT).

COST STRUCTURE	% to Turnover	
	31.03.2011	31.03.2010
Material Consumed	43.15%	45.17%
Manufacturing Expenses	22.06%	25.86%
Depreciation	7.88%	6.09%
Administrative and Selling Expenses	4.06%	4.55%
Interest and Financial Expenses	2.58%	2.20%
Taxes (Income Tax and Deferred Tax)	3.23%	3.13%
Net Operating Margin (PBIT)	11.93%	11.94%
Cash Operating Margin (PBDIT)	19.93%	18.20%

#### CAPITAL UTILISATION

ROCE for the FY 2010-11 was at 14.86% as compared to 15.23% in FY 2009-10, which is largely attributable higher assets with no major variations in cost structure. The Return on Net worth (RONW) is higher at 18.18% during the year as compared to 15.58% during FY 2009-10.

The receivables turnover ratio was 49days (Prev. Year - 61days), inventory turnover ratio was at 55days (Prev. Year - 74days) and the NWC turnover ratio was at 87 days (LY - 77 days). The Debt Equity ratio of 0.76 at the end of FY'10 has slightly gone up to 1.31 at the end of FY'11.

#### SEGMENTAL PERFORMANCE

The Company has only a single reportable segment, i.e. Manufacture of Plastics Containers in terms of AS - 17 issued by the Institute of Chartered Accountants of India.

#### OUTLOOK

Raw Material prices are expected to be, by and large, normal during the coming year as compared to the year under review. The performance is expected to provide a fillip to the turnover and volume growth, pushing it into double-digit percentage for the year. PBT / ROCE is also expected to grow in line with growth in the turnover, barring unforeseen operating, economic and other factors having bearing on the operations of the Company.

#### CAUTIONARY STATEMENT

Some statements in the report describing the projections, estimates, expectations or outlook may be "forward looking" that set forth anticipated results based on management plan and assumptions. These statements are likely to address the Company's growth strategy, financial results, product approvals, product potential and development programs. Actual results may differ materially from those stated on account of internal factors affecting the Company's operations as well as external factors such as changes in government regulations, tax regimes, economic developments within India and the countries with which your Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply.

For and on behalf of the Board

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

Vimal Kedia  
Managing Director

Surendra Kedia  
Executive Director

## REPORT ON CORPORATE GOVERNANCE

In compliance to the requirement of Listing Agreement with the Bombay & National Stock Exchanges, the Board of Manjushree Technopack Limited (Manjushree) is pleased to present the report on Corporate Governance hereunder:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a set of principles, processes and systems to be followed by Directors, management and all employees for enhancement of shareholders value, keeping in view interests of other stakeholders. Integrity, transparency and compliance with laws in dealings with government, customers, suppliers, employees and other stakeholders are the objective of good Corporate Governance.

At Manjushree, we view Corporate Governance in its widest sense, almost like a trusteeship. Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation. The primary object is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness; accountability, good practices and ethics in all commercial dealings and to develop capabilities and identify opportunities that best serve the goal of value creation. Corporate Governance is not merely compliance; it is ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. It involves, leveraging its resources and aligning its activities to consumer need, shareholder benefit and employees growth, thereby delighting all its stakeholders while minimising risk. This effective system enables the Management with the requisite powers to effectively deliver the targets to the satisfaction of the stakeholders.

Manjushree believes that Corporate Governance is not an end in itself but is catalyst in the process towards maximization of shareholders value, which as an integral objective is interwoven into all aspects of Corporate Governance - underlying philosophy, development of roles, creation of structures and continuous compliance with standard practices.

The primary responsibility towards sustained high standards of Corporate Governance within the company lies with the Board of Directors, which has put in place appropriate policies relating to its membership, deliberations etc. The policies are set in a way that ensures full collaboration of everyone associated with the Company towards Corporate Governance. The Directors of Manjushree strive hard relentlessly to lead by example with high level of expertise and experience, active and regular participation in company's affairs and full adherence to all the requirements that may lead to maximization of interests of the Company and its stakeholders. Manjushree is committed to continually evolving and adopting appropriate Corporate Governance practices.

### 2. BOARD OF DIRECTORS:

#### A. Composition and Category of Directors

The Board is structured with adequate blend of executive, non-executive and independent directors, which is imperative for a vital balanced perspective of the organization. Of the eight directors on the Board of Manjushree, four are promoter (non-independent) directors and the remaining four are professional (independent) directors. The Board has 4 executive directors and the rest are non-executive directors. The Board meets regularly and is responsible for proper direction and management of the Company. All the directors have access to advice of Company Secretary, holding office at the relevant time, who is responsible to the Board for ensuring that Board procedures are followed and all the applicable rules and regulations are complied with.

**B. Board's Functioning and Procedure**

The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibilities and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the management towards the set goals and also sets accountability with a view to ensure that the corporate philosophy and the mission, i.e., to create long term sustainable growth that translate itself into progress, prosperity and the fulfilment of stakeholders, are fully achieved.

**C. Meetings and Attendance**

During the financial year ended 31<sup>st</sup> March 2011, Six Board Meetings were held on 12.04.2010, 27.05.2010, 10.08.2010, 07.10.2010, 12.11.2010 and 12.02.2011. The maximum gap between any two meetings was not more than four calendar months.

The details of Board composition, Director's attendance at Board Meetings and at previous Annual General Meeting, directorships in other companies and membership in other committees are as follows:

Name and Designation	Category*	No. of Shares held as on 31st March, 2011	Board Meeting		Attendance at last AGM on 31.08.2010	No. of other directorships	Membership in the Committees of other Companies	
			Held	Attended			Member	Chairman
Mr. Vimal Kedia, Managing Director	NI & WTD	481962	6	6	YES	4	NIL	NIL
Mr. Surendra Kedia Executive Director	NI & WTD	488277	6	6	YES	4	NIL	NIL
Mr. R.P. Agarwal Director	I & NED	Nil	6	5	NO	5	NIL	NIL
Mr. J. K. Singhania Director	I & NED	Nil	6	0	NO	2	NIL	NIL
Mr. N. K. Sarawgi Director	I & NED	Nil	6	6	NO	2	NIL	NIL
Mr. G.Vamanacharya Director	I & NED	Nil	6	6	YES	0	NIL	NIL
Ms. Savita Kedia+ Director	NI & NED	89000	3	2	YES	0	NIL	NIL
Ms. Sashi Kedia+ Director	NI & NED	161300	3	2	YES	2	NIL	NIL
Mr. Rajat Kedia+ Director	NI & WTD	24875	3	3	YES	4	NIL	NIL
Mr. Ankit Kedia+ Director	NI & WTD	32100	3	1	YES	2	NIL	NIL

.Note - \* NI – Non Independent, I – Independent, WTD – Whole Time Director, NED – Non Executive Director.

+ These Directors were on Board for Three meetings only.

### 3. COMMITTEES OF THE BOARD

Presently, the Board has three committees; Audit cum Monitoring Committee, Remuneration Committee and Investor Grievance Committee. Members of Audit cum Monitoring Committee and that of Remuneration Committee consist of three Independent Non Executive Director's. The Investor Grievance Committee consists of two promoter Director's and one independent director. The Company Secretary holding office at the relevant time is the ex-officio Secretary for all committees.

#### A. Audit cum Monitoring Committee:

**Composition, details of meetings and attendance during the year.**

SI No.	Name of Director and Designation	Category	No. of Meetings	
			Held	Attended
1	Sri G. Vamanacharya, Chairman	I & NED	4	4
2	Sri N. K. Sarawgi, Member	I & NED	4	4
3	Sri R. P. Agarwal, Member	I & NED	4	3

#### By invitation:

K. Sameernath	Asst. General Manager – Finance & Admn.
Kamal Sharma	Chief Manager – Accounts & Finance
D C Soni	Chief Manager – Accounts & Finance

The Chairman of the Audit cum Monitoring Committee, Mr. G. Vamanacharya, was present at the Annual General Meeting of Company held on 31<sup>st</sup> August, 2010.

#### Terms of Reference:

- Overview of Company's financial reporting process.
- Recommendation of appointment of Statutory auditors and their remuneration.
- Review of Quarterly, Half Yearly, Annual Financial Statements.
- Review of Internal Control Systems, and Internal Audit Function.
- Discussion with Statutory Auditors regarding nature and scope of audit, before and after to ascertain areas of concern, Compliance of Accounting Standards, Stock Exchanges, Legal requirements etc.
- Review and Scrutiny of Related Party transactions if any.
- Review of the Company's Financial and Risk Management Policies.
- Such other function as may be covered in the listing agreement with the stock exchanges as may be required pursuant to section 292A of the Companies Act, 1956 or any other amendment thereof, from time to time over and above any specific functions that may be requested by the Board of Directors.

#### B. Remuneration Committee:

**Composition, details of meetings and attendance during the year.**

SI No	Name of Director and Designation	Category	No. of Meetings	
			Held	Attended
1	Sri G. Vamanacharya, Chairman	I & NED	2	2
2	Sri N. K. Sarawgi, Member	I & NED	2	2
3	Sri R. P. Agarwal, Member	I & NED	2	2

#### Terms of reference:

Recommending or reviewing the terms of remuneration payable to directors & Employees

Details of Remuneration paid to all the directors during 2010-11 are as follows:

(Rs.in lacs)

Name of the Director	Service Contract / notice period	Remuneration	
		Sitting Fees	Salary & Perquisites
Mr. Vimal Kedia	Agreement dated 01-04-2010 valid till 31-03-2015. Six (6) months notice period and severance fees equivalent to salary and perquisites for the unexpired period of the Agreement.	-	40.63
Mr. Surendra Kedia	Agreement dated 01-04-2010 valid till 31-03-2015. Six (6) months notice period and severance fees equivalent to salary and perquisites for the unexpired period of the Agreement.	-	41.54
Mr. Rajat Kedia	Agreement dated 27-05-2010 valid till 26-05-2015. Six (6) months notice period and severance fees equivalent to salary and perquisites for the unexpired period of the Agreement.	-	10.16
Mr. Ankit Kedia	Agreement dated 27-05-2010 valid till 26-05-2015. Six (6) months notice period and severance fees equivalent to salary and perquisites for the unexpired period of the Agreement.	-	10.53
Mr. R.P. Agarwal	Retirement by Rotation	0.20	-
Mr. J. K. Singhania	Retirement by Rotation	-	-
Mr. N. K. Sarawgi	Retirement by Rotation	0.20	-
Mr. G. Vamanacharya	Retirement by Rotation	0.35	-

### C. Investor Grievance Committee:

#### Terms of Reference:

The Investor Grievance Committee has been constituted for redressal of Investor grievances. The Committee's primary responsibility is to implement a smooth share transfer process, minimize investor grievances and to strengthen investor relations.

#### Composition, details of meetings and attendance during the year:

Sl No	Name of Director and Designation	Category	No. of Meetings	
			Held	Attended
1	Mr. G. Vamanacharya, Chairman	I & NED	2	2
2	Mr. Surendra Kedia, Member	NI & W TD	2	2
3	Mr. Vimal Kedia, Member	NI & W TD	2	2

Name & designation of Compliance Officer:

Address :

E-Mail / Mobile No.

**Surendra Kedia – Executive Director**

143, C-5, Bommasandra Industrial Area,  
Hosur Road, Bangalore - 560099  
surendra.kedia@manjushreeindia.com  
09845 049097

**c) Details of Complaints for the Year 2010 – 11:**

No of Complaint Received	NIL
No of Complaints Resolved	NA

**4. CODE OF CONDUCT:**

The Board has laid down a code of conduct for all its members as well as members of the senior management, which has been posted on the company's website. The code of conduct including, but not limited to, Prevention of Insider Trading, has been implemented in line with the prevailing guidelines. The certificate from Managing Director with regard to compliance of code of conduct by board members and senior management is enclosed and forms part of this report.

### Certificate of Code of Conduct

Manjushree is committed to conducting its business in accordance with the applicable laws, rules and regulations along with the highest standards of business ethics. The Company has adopted a "Code of Conduct" which is applicable to all Directors and members of senior management. I hereby certify that all the Board Members and senior Management have affirmed the compliance with the Code of Conduct.

**Bangalore:**  
**Date: 27<sup>th</sup> May, 2011**

**Vimal Kedia**  
**Managing Director**

**5. SCHEDULE OF ANNUAL / EXTRAORDINARY GENERAL MEETINGS DURING LAST 3 YEARS**

Date of AGM / EOGM	Venue	Time	Special resolutions
30 <sup>th</sup> Oct, 2010 (EGM)	143C-5 Bommasandra Industrial Area, Anekal Taluk, Hosur Road, <b>Bangalore – 560 099</b>	10.00 am	None
31 <sup>st</sup> Aug, 2010 (AGM)		10.00 am	None
10 <sup>th</sup> May, 2010 (EGM)		10.00 am	None
31 <sup>st</sup> August, 2009 (AGM)		10.00 am	None
30 <sup>th</sup> August, 2008 (AGM)		10.00 am	2

**Special Resolution passed at AGM held on 30<sup>th</sup> August, 2008:**

- Special resolution passed for voluntary delisting of equity shares of the Company from Guwahati, Calcutta and Ahmedabad stock exchanges.
- Special resolution passed for effecting the change in the name of the Company and accordingly its Articles and Memorandum of Association.

No Resolution was circulated by postal ballot. The Resolutions are passed on show of hands with requisite majority. The venue of AGM has been chosen as per the requirement of Companies Act, 1956 and also due to its central location, prominence and capacity.

**6. DISCLOSURES:**

There are no materially significant related party transactions i.e. transactions with Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interests of the Company at large. The Register of contracts containing transactions, in which Directors are interested, has been placed before the Board regularly.

Transactions with the related parties, as per requirement of Accounting Standard 18, are disclosed in Notes on Account in the Annual Report.

During the last three years there have been no instances of non-compliances by the Company on any matter related to Capital Market. Hence, there were no penalties imposed on the Company either by the stock exchanges where the Company's shares are listed or SEBI or any statutory authority on any matter related to capital market.

#### 7. MEANS OF COMMUNICATION:

The quarterly / annual financial results and statutory notices are published in major newspapers including a national news paper and in a vernacular news paper. Manjushree has its own web-site and all vital information relating to the Company, its performance and official press releases are posted on the Company's website [www.manjushreeindia.com](http://www.manjushreeindia.com). Statutory communication to members is sent in the manner prescribed in Companies Act, 1956 while communications to the stock exchanges is made as per listing agreements / SEBI regulations.

#### 8. MANAGEMENT DISCUSSION and ANALYSIS:

Management discussion and analysis of operational aspects forms part of Directors' Report.

### GENERAL SHAREHOLDER INFORMATION

1.	<b>Name of the Company</b>	MANJUSHREE TECHNOPACK LIMITED.
2.	<b>Registered Office and Corporate Headquarters</b>	143 C5, Bommasandra Industrial Area Hosur Road, Bangalore – 560 099, Karnataka, India. Tel: 080 – 4343 6100 Fax: 080 -2783 3819 Email: info@manjushreeindia.com Website: <a href="http://www.manjushreeindia.com">www.manjushreeindia.com</a>
3.	<b>AGM (Date, time and venue)</b>	<b>Monday, September 26, 2011 at 11.00 am at 60E, Bommasandra Industrial Area, Hosur Road, Bangalore – 560 099.</b>
4.	<b>Financial Calendar</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March
5.	<b>Date of Book Closure</b>	19 <sup>th</sup> to 26 <sup>th</sup> September 2011 (both days inclusive)
6.	<b>Dividend Payment Date</b>	The dividend, if declared at the Annual General Meeting, shall be paid within the statutory time limit.
7.	<b>Listing on Stock Exchanges</b>	Bombay Stock Exchange Ltd., Mumbai (BSE) Stock Code / Symbol: <b>532950 / MANJUHRE</b> National Stock Exchange Ltd., Mumbai (NSE) Stock Code / Symbol <b>MANJUSHREE</b>
8.	<b>Listing Fee</b>	Paid to BSE & NSE for the FY 2010-11.
9.	<b>Electronic Connectivity</b>	NSDL and CDSL - ISIN: INE 435H 01015
10.	<b>Registrar and Share Transfer Agents</b>	Integrated Enterprises (India) Limited (Formerly: Alpha Systems Pvt. Ltd.) 30, Ramana Residency, 4 <sup>th</sup> Cross, Sampige Road, Malleswaram, Bangalore – 560 003 Tel: 080-23460815 / 818 Fax: 080 – 23460819 Email: alfint@vsnl.com

## 9. SHARE TRANSFER SYSTEM:

Transfers in physical form are registered by the Registrar and Share Transfer Agents, Integrated Enterprises ( India) Limited, within 30 days of the receipt of completed documents. Invalid share transfers are returned within 15 days of the receipt. All requests for dematerialisation of shares are processed and the confirmation is given to respective Depositories i.e. NSDL and CDSL within the prescribed time frame. Periodically, A Practising Company Secretary audits the System and a certificate to that effect is issued and the same is filed with the stock exchanges. Additionally, Secretarial Audits and the materialization related scrutiny are conducted quarterly by a practising Company Secretary.

## 10. CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2011

Category	No of Shareholders	No of Equity Shares held	% of Shareholding
Promoters	19	8002594	59.07
Mutual Funds	1	100000	0.74
Public	7132	4456259	32.89
Private Ltd. Cos.	172	988847	7.30
<b>Total</b>	<b>7324</b>	<b>13547700</b>	<b>100.00</b>

## 11. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011

No. of Equity Shares held	No of Shareholders	% of Shareholders	No of Equity Shares	% of Shareholding
Upto 5,000	7207	98.40	2403478	17.74
5,001 - 10,000	51	0.70	382325	2.82
10,001 - 20,000	24	0.33	347036	2.56
20,001 - 30,000	10	0.14	240680	1.77
30,001 - 40,000	4	0.05	137542	1.02
40,001 - 50,000	1	0.01	42002	0.31
50,001 – 1,00,000	6	0.08	456087	3.37
1,00,001 and above	21	0.29	9538550	70.41
<b>Total</b>	<b>7324</b>	<b>100.00</b>	<b>13547700</b>	<b>100.00</b>

**12. Dematerialisation of Shares and Liquidity** As on 31st March 2011, **92.28%** of Shareholding is held in dematerialised form with NSDL and CSDL.

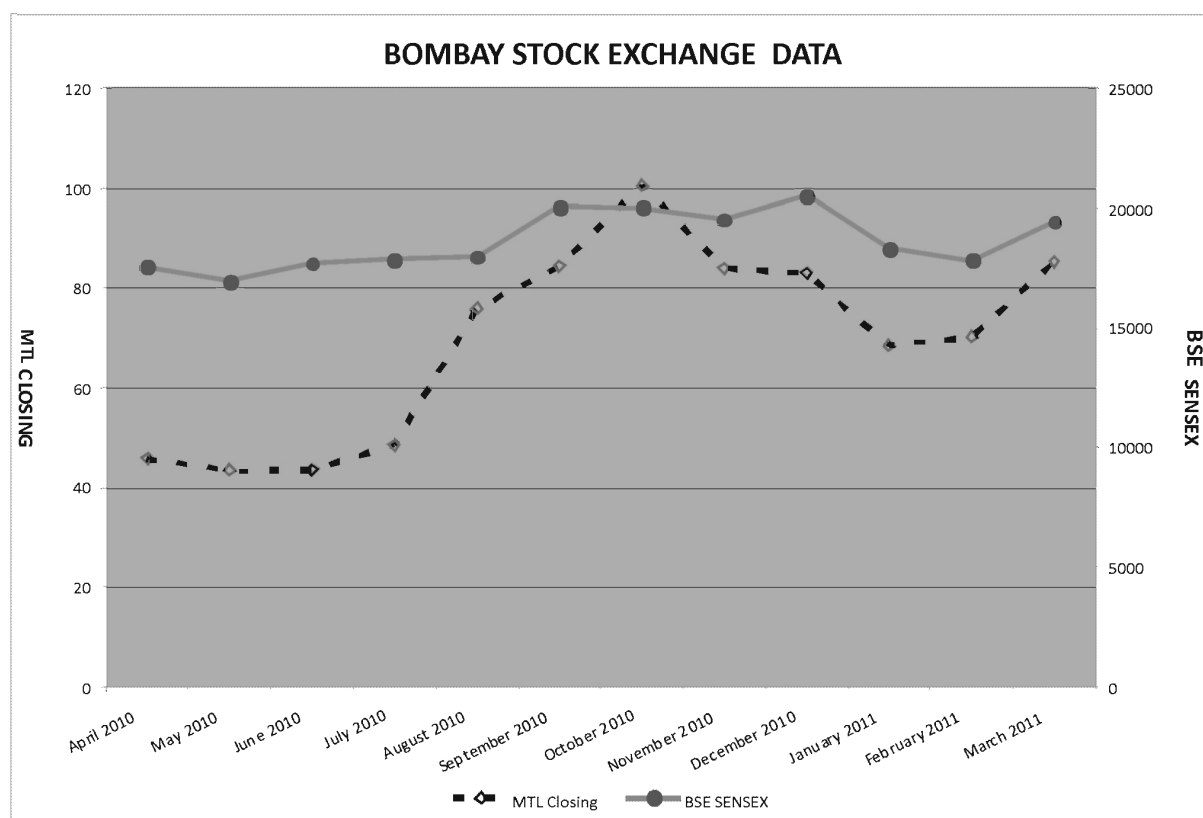
**13. Out standing GDR / ADR / Warrant or any convertible instrument, conversion date and impact on equity** Your Company has not issued any GDR / ADR / Warrant or any convertible instruments so far.

**14. Plant Location** Unit I - 143C5, Bommasandra Industrial Area,  
 Unit II - 60E & 60F, Bommasandra Industrial Area,  
 Both on Hosur Road, Bangalore -560 099.

**15. STOCK MARKET DATA**

- a. The monthly high, low and closing prices of equity shares of the Company traded on Bombay Stock Exchange (BSE) from April 1, 2010 to March 31, 2011 are given below:

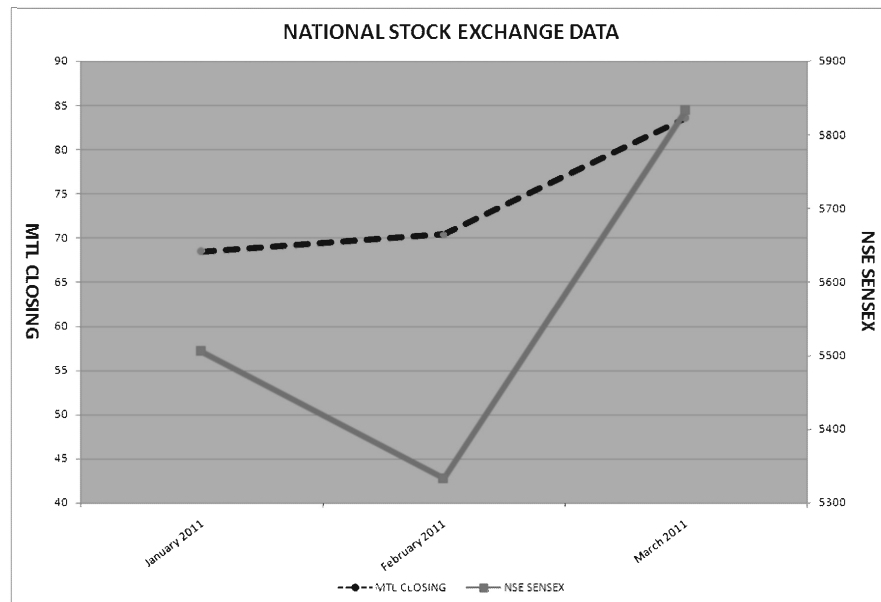
Month	Volume	High	Low	Closing	Sensex
April 2010	584454	49.00	42.10	45.85	17558.71
May 2010	359545	47.00	40.10	43.50	16944.63
June 2010	245330	47.00	42.10	43.60	17700.90
July 2010	918305	54.60	43.00	48.55	17868.29
August 2010	3860429	86.50	48.50	75.95	17971.12
September 2010	1894171	87.85	75.10	84.40	20069.12
October 2010	2729895	103.00	83.60	100.55	20032.34
November 2010	1866557	109.80	73.95	84.05	19521.25
December 2010	742150	91.50	67.20	83.05	20509.09
January 2011	353310	86.25	66.30	68.55	18327.76
February 2011	228309	75.65	55.50	70.25	17823.40
March 2011	258268	86.50	69.00	85.35	19445.22



- b. The monthly high, low and closing prices of equity shares of the Company traded on National Stock Exchange (NSE) from Jan 1, 2011 to March 31, 2011 are given below:

Month	Volume	High	Low	Closing	Sensex
January 2011	168764	84.85	63.00	68.45	5505.90
February 2011	128540	74.95	55.00	70.40	5333.25
March 2011	370004	86.00	69.65	83.55	5833.75

The Company Script was enlisted on NSE w.e.f. December 29, 2010.



**For and on behalf of the Board**

**Bangalore,  
27<sup>th</sup> May, 2011**

**Vimal Kedia  
Managing Director**

**Surendra Kedia  
Executive Director**

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,  
**Manjushree Technopack Limited**

We have examined the compliance of conditions of Corporate Governance by **Manjushree Technopack Limited** (CIN:L67120KA1987PLC032636), "the Company" for the year ended on 31<sup>st</sup> March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 Singhvi, Dev & Unni**  
Chartered Accountants,  
Firm Regn. No.003867S

May 27, 2011  
Bangalore

**Parathasarathy Sudarsanam**  
Partner  
Membership No.: 205179

## **CEO & CFO CERTIFICATION UNDER CLAUSE 49(V) OF THE LISTING AGREEMENT**

We, Vimal Kedia, Managing Director and K Sameernath Asst. General Manager - Finance & Admn. of **Manjushree Technopack Limited** ("Company") hereby certify that:

- a) We have reviewed financial statements and the cash flow statement of the Company for the financial year ended March 31, 2011 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Vimal Kedia**  
**Managing Director**

**K Sameernath**  
**Asst. General Manager – Finance & Admn.**

## AUDITORS' REPORT

To  
The members of  
Manjushree Technopack Limited

- 1) We have audited the attached Balance Sheet of **Manjushree Technopack Limited** as at March 31, 2011, the Profit and Loss account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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.
- 2) 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.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) 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 purposes 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 dealt with by this report are in agreement with the books of account;
  - d) In our opinion and subject to our comments in para g) below, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) Since the quantum and modalities of payment of cess payable under section 441A of the Companies Act, 1956 has not yet been prescribed or notified by the Central Government, neither any payment nor any provision thereof has been made;
  - g) In our opinion and to the best of our information and according to the explanations given to us, subject to *the provision of leave encashment amounting to Rs.27,73,759 which has been determined not based on actuarial*

*valuation as required under Accounting Standard 15 issued under Companies (Accounting Standards) Rules, 2006 and the impact of which is not ascertainable.* the said accounts together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
- b) In the case of the Profit and Loss Account of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

**for Singhvi, Dev & Unni  
Chartered Accountants  
Firm Reg. No. 003867S**

**Parthasarathy Sudarsanam  
Partner  
Membership No: 205179**

**Bangalore  
May 27, 2011**

## **ANNEXURE TO AUDITORS' REPORT**

**(as referred to in para 3)**

- (i) (a) the records of fixed assets showing full particulars including quantitative details and situation of fixed assets are maintained by the company;
- (b) the fixed assets of the Company have been physically verified by the management at reasonable intervals during the year and this revealed no material discrepancies. In our opinion, the frequency of the verification is reasonable;
- (c) there has been no disposal of substantial part of the fixed assets during the year;
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of 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) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. We are informed that the discrepancies between the physical stocks and the book records noticed on verification were not material.
- (iii) (a) the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, comment on clause (iii) (b) (c) and (d) does not arise;
- (b) the Company has obtained an interest free loan of Rs.686.92 lakhs from an associate specified in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 686.92 lakhs and the closing balance is NIL;
- (c) other terms and conditions of loan taken by the company are prima facie not prejudicial to the interest of the company;
- (d) the Company has regularly repaid the loan during the year;
- (iv) The Company has adequate internal control system commensurate with the size of the Company and nature of its business for the purpose of inventory, fixed assets and for the sale of goods. We have not come across any major weakness in internal control.
- (v) The Company has no transactions that need to be entered in the register to be maintained as per section 301 of the Companies Act, 1956. Consequently, comment on clause (v) does not arise;
- (vi) during the year, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provision of the Act and the rules framed thereunder, or under the directives issued by the Reserve Bank of India. Consequently, comment on clause (vi) does not arise;
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) As informed to us, maintenance of cost records under clause (d) of the subsection (1) of section 209 of the Act has not been prescribed for the Company. Consequently, comment on clause (viii) does not arise;

- (ix) (a) the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investors' Education and Protection Fund, Employees' State Insurance, Income tax, Wealth Tax, Service Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities and there are no undisputed amounts outstanding as at the last day of the financial year for a period of more than six months from the date they became payable;
- (b) according to the information and explanations given to us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, custom duty, value added tax, , excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute, other than the following;

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Duty Demand for Bonded warehoused raw materials	Rs.2.85 lacs	April, 2002	Asst. Commissioner of Customs (Bonds)

- (x) the Company has no accumulated losses as at March 31, 2011 and has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year;
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions, banks or debenture holders.
- (xii) the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Consequently, comment on clause (xii) does not arise;
- (xiii) the company is not a chit fund company, nidhi, mutual benefit fund/society. Consequently, comment on clause (xiii) does not arise;
- (xiv) the company is not dealing or trading in shares, securities, debentures and other investments. Consequently, comment on clause (xiv) does not arise;
- (xv) according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Consequently, comment on clause (xv) does not arise;
- (xvi) the Company has used the term loan for the purpose for which it was obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short – term basis have been used for long-term investment;
- (xviii) the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act. Consequently, comment on clause (xviii) does not arise;
- (xix) the company has not issued any debentures. Consequently, comment on clause (xix) does not arise;

- (xx) the Company has not raised any money by public issue during the year. Consequently, comment on clause (xx) does not arise;
- (xxi) during the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**for Singhvi, Dev & Unni  
Chartered Accountants  
Firm Reg. No. 003867S**

**May 27, 2011  
Bangalore**

**Parthasarathy Sudarsanam  
Partner  
Membership No: 205179**

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

	Schedule	As at 31.03.2011	(Rs. in Lacs) As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	A	1,354.77	1,354.77
Reserves & Surplus	B	6,810.93	5,489.65
		<u>8,165.70</u>	<u>6,844.42</u>
<b>LOAN FUNDS</b>			
Secured Loans	C	7,175.49	5,114.28
Unsecured Loans	D	3,515.52	63.65
		10,691.01	5,177.93
		577.27	576.29
<b>DEFERRED TAX LIABILITY</b>			
	<b>TOTAL</b>	<u>19,433.98</u>	<u>12,598.64</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	E	15,710.87	13,279.19
Less: Depreciation		5,985.85	4,085.75
		9,725.02	9,193.44
Capital Work in Progress		1,467.05	6.37
<b>NET BLOCK</b>		<u>11,192.07</u>	<u>9,199.81</u>
<b>INVESTMENTS</b>			
		-	-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	F	5,093.79	2,008.86
Sundry Debtors		3,274.41	2,692.30
Cash & Bank Balances		119.94	794.18
Loans & Advances		2,678.54	1,549.93
		11,166.68	7,045.27
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	G	2,953.16	3,703.21
<b>NET CURRENT ASSETS</b>		<u>8,213.52</u>	<u>3,342.06</u>
<b>MISCELLANEOUS EXPENDITURE</b>			
	H	28.39	56.77
	<b>TOTAL</b>	<u>19,433.98</u>	<u>12,598.64</u>

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNT O**

The schedules referred to above form an integral part of the audited Balance Sheet

As per our report of even date  
 For Singhvi, Dev & Unni  
 Chartered Accountants  
 Firm Regn.No.003867S

For and on behalf of the Board

Parthasarathy Sudarsanam  
 Partner  
 Membership No.: 205179  
 Bangalore, May 27, 2011

Vimal Kedia  
 Managing Director

Surendra Kedia  
 Executive Director

Bangalore, May 27, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011**

	Schedule	Year Ended 31.03.2011	(Rs. in Lacs) Year Ended 31.03.2010
<b>INCOME</b>			
<b>Gross Turnover</b>			
- Domestic		23,112.11	15,254.59
- Exports		1,073.39	750.83
		<u>24,185.50</u>	<u>16,005.42</u>
<b>Less: Central Excise Duty</b>		<u>2,568.00</u>	<u>1,102.18</u>
<b>Net Turnover</b>		<u>21,617.50</u>	<u>14,903.24</u>
Other Income	I	60.84	79.47
Increase/ (Decrease) in Stocks	J	1,473.58	942.69
<b>TOTAL</b>		<u>23,151.92</u>	<u>15,925.41</u>
<b>EXPENDITURE</b>			
Raw Materials Consumed	K	11,911.38	8,172.59
Other Manufacturing Expenses	L	5,466.79	4,139.09
Administrative & Selling Expenses	M	954.76	700.35
Public Issue Expenses Written Off	H	28.38	28.38
		<u>18,361.31</u>	<u>13,040.41</u>
<b>PROFIT BEFORE DEPRECIATION, INTEREST &amp; TAXATION</b>		<u>4,790.61</u>	<u>2,884.99</u>
Depreciation	E	1,906.01	974.74
<b>PROFIT BEFORE INTEREST, EXCEPTIONAL ITEMS &amp; TAXATION</b>		<u>2,884.60</u>	<u>1,910.25</u>
Interest & Financial Charges	N	624.36	352.71
<b>PROFIT AFTER INTEREST BUT BEFORE EXCEPTIONAL ITEMS</b>		<u>2,260.24</u>	<u>1,557.54</u>
<b>Exceptional Items</b>			
Previous Year's Adjustments	-	-	-
<b>PROFIT AFTER EXCEPTIONAL ITEMS BUT BEFORE TAXATION</b>		<u>2,260.24</u>	<u>1,557.54</u>
Provision for Taxation - Current Year		780.00	283.10
Deferred Tax Provision		0.98	217.18
<b>NET PROFIT AFTER TAX</b>		<u>1,479.26</u>	<u>1,057.26</u>
Balance brought forward from previous year		1,437.24	628.48
<b>PROFIT CARRIED TO BALANCE SHEET</b>		<u>2,916.50</u>	<u>1,685.74</u>
<b>APPROPRIATIONS</b>			
Transfer to General Reserve		-	90.00
Proposed Dividend		135.48	135.48
Tax on Dividend		22.50	23.02
<b>SURPLUS CARRIED TO SCHEDULE "B"</b>		<u>2,758.52</u>	<u>1,437.24</u>
<b>EARNINGS (BASIC AND DILUTED) PER SHARE RUPEES</b>			
<b>(FACE VALUE OF RS. 10/- EACH)</b>		10.92	7.80
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
O			

The schedules referred to above form an integral part of the Profit & Loss Account.

As per our report of even date

For Singhvi, Dev & Unni

Chartered Accountants

Firm Regn.No.003867S

Parthasarathy Sudarsanam

Partner

Membership No.: 205179

Bangalore, May 27, 2011

For and on behalf of the Board

Vimal Kedia  
Managing Director

Surendra Kedia  
Executive Director

Bangalore, May 27, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED**
*(Rs.in Lacs)*

PARTICULARS	As at 31.03.2011	As at 31.03.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Interest & Income Tax	2,884.60	1,896.58
<b>Adjustments (Net) for:</b>		
1. Depreciation & writeoffs	1,928.48	990.69
2. Interest Income	(60.84)	(49.21)
<b>Operating profit before working capital changes</b>	<b>4,752.24</b>	<b>2,838.06</b>
<b>Adjustments (Net) for:</b>		
1. Trade and other receivables	(582.11)	(1,106.03)
2. Inventories	(3,084.93)	(389.80)
3. Loans & Advances	(1,128.61)	(737.36)
4. Current Liabilities & Provisions	(749.07)	3,228.78
<b>Working Capital Changes</b>	<b>(5,544.72)</b>	<b>995.59</b>
<b>Cash generated from operations</b>	<b>(792.48)</b>	<b>3,833.65</b>
Taxes Paid (Net)	(780.98)	(500.28)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(1,573.46)</b>	<b>3,333.37</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(3,893.55)	(4,384.79)
Proceeds from sale of Fixed Assets	1.19	14.67
Interest Income	60.84	49.21
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(3,831.52)</b>	<b>(4,320.91)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	6,338.08	2,435.33
Outflow for re-payment of Borrowings	(825.00)	(200.00)
Interest on Borrowings	(624.36)	(339.04)
Dividend & tax thereon paid	(157.98)	(158.51)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>4,730.74</b>	<b>1,737.78</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	(674.24)	750.24
Cash and Cash Equivalents as at 01.04.2010	794.18	43.94
<b>Cash and Cash Equivalents as at 31.03.2011</b>	<b>119.94</b>	<b>794.18</b>

As per our report of even date

**For Singhvi, Dev & Unni**
**Chartered Accountants**
**Firm Regn.No.003867S**
**For and on behalf of the Board**
**Parthasarathy Sudarsanam**
**Partner**
**Membership No.: 205179**
**Bangalore, May 27, 2011**
**Vimal Kedia**  
**Managing Director**
**Surendra Kedia**  
**Executive Director**
**Bangalore, May 27, 2011**

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011**

	As at 31.03.2011	(Rs. in Lacs) As at 31.03.2010
<b>SCHEDULE "A" : SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
15,000,000 (2010 -15,000,000) Equity Shares of Rs. 10/- each	1,500.00	1,500.00
<b>Issued, Subscribed &amp; Paid-up Capital</b>		
13,547,700 (2010 - 13,547,700) Equity Shares of Rs. 10/- each Fully called up and Paid up in Cash.	1,354.77	1,354.77
<b>TOTAL</b>	<b>1,354.77</b>	<b>1,354.77</b>
<b>SCHEDULE "B" : RESERVE &amp; SURPLUS</b>		
<b>A. General Reserve</b>		
Opening Balance	1,300.00	1,210.00
Add: Transfer from Profit & Loss account	-	90.00
Closing Balance	1,300.00	1,300.00
<b>B. Share Premium</b>		
Opening Balance	2,735.32	2,735.32
Add: Received during the year	-	-
Less: Utilised during the year	-	-
Closing Balance	2,735.32	2,735.32
<b>C. Profit &amp; Loss Account</b>		
Opening Balance	1,437.24	628.48
Add: Current Year Surplus	1,321.28	808.76
Closing Balance	2,758.52	1,437.24
<b>D. Capital Reserve - Profit on Forfeited Shares</b>		
Opening Balance	17.09	17.09
Additions during the year		
Deductions during the year		
Closing Balance	17.09	17.09
<b>TOTAL</b>	<b>6,810.93</b>	<b>5,489.65</b>
<b>SCHEDULE "C" : SECURED LOANS</b>		
<b>From State Bank of India, IFB, Bangalore</b>		
<b>A. Term Loan</b>		
Rupee Loan (repayable within one year Rs.8.25crores Prev. year Rs.2crores)	4,056.20	1,180.74
FCNRB Loan	-	1,138.32
Interest accrued and due	-	22.14
<b>Total (A)</b>	<b>4,056.20</b>	<b>2,341.20</b>
<b>B. Working Capital Borrowings</b>		
Rupee Cash Credit	3,115.26	1,313.69
FCNRB Loan (Cash Credit)	-	1,345.21
Export Packing Credit	4.03	114.18
<b>Total (B)</b>	<b>3,119.29</b>	<b>2,773.08</b>
<b>Total (A+B)</b>	<b>7,175.49</b>	<b>5,114.28</b>
(Above facilities are secured by hypothecation of all movable assets, raw materials, finished goods, stores, spare parts, book debts, pledge of fixed deposit receipts and 1st pari-passu charge on fixed assets located at all units.)		
<b>SCHEDULE "D" : UNSECURED LOANS</b>		
Buyers Credit (Repayable fully within one year / backed by sanctioned term loan)	3,515.52	-
Credit under Sales Tax Deferral Scheme	-	63.65
<b>Total</b>	<b>3,515.52</b>	<b>63.65</b>

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd ...)**  
**SCHEDULE "E" : FIXED ASSETS**

Class of Assets	Rs.in lacs											
	Gross Block					Depreciation					Net Block	
	As at 31.03.2010	Addition	Deductions	As At 31.03.2011	Up to 31.03.2010	For the Period	Deductions	Up to 31.03.2011	As At 31.03.2011	As at 31.03.2010		
Freehold Land	524.42	-	-	524.42	-	-	-	-	524.42	524.42		
Building & Civil Works	1,393.40	304.68	-	1,698.08	330.42	106.56	-	436.98	1,261.10	1,062.98		
Plant & Machinery	6,210.94	1,291.64	-	7,502.58	2,495.64	1,193.03	-	3,688.67	3,813.90	3,715.30		
Utility Installations	4,909.16	763.07	-	5,672.23	1,137.44	568.61	-	1,706.05	3,966.18	3,771.72		
<b>Misc. Fixed Assets</b>												
Computer Systems	80.43	10.50	-	90.92	46.32	15.61	-	61.93	28.99	34.11		
Furniture & Fixtures	23.26	3.75	-	27.01	15.88	1.68	-	17.56	9.45	7.38		
Vehicles	90.32	15.57	6.61	99.28	48.30	12.37	6.00	54.67	44.61	42.02		
Other Equipment	47.26	49.09	-	96.35	11.75	8.23	-	19.98	76.38	35.51		
<b>Sub Total</b>	<b>241.27</b>	<b>78.91</b>	<b>6.61</b>	<b>313.56</b>	<b>122.25</b>	<b>37.89</b>	<b>6.00</b>	<b>154.14</b>	<b>159.42</b>	<b>119.02</b>		
<b>Total</b>	<b>13,279.19</b>	<b>2,438.30</b>	<b>6.61</b>	<b>15,710.87</b>	<b>4,085.75</b>	<b>1,906.10</b>	<b>6.00</b>	<b>5,985.85</b>	<b>9,725.02</b>	<b>9,193.43</b>		
Capital Work in Progress	6.37	1,460.68	-	1,467.05	-	-	-	-	1,467.05	6.37		
<b>Grand Total</b>	<b>13,285.56</b>	<b>3,898.98</b>	<b>6.61</b>	<b>17,177.92</b>	<b>4,085.75</b>	<b>1,906.10</b>	<b>6.00</b>	<b>5,985.85</b>	<b>11,192.07</b>	<b>9,199.80</b>		
<b>Figures for the Previous year</b>	8,915.44	4,388.51	24.76	13,279.19	3,123.44	974.74	12.43	4,085.75	9,193.44	5,792.00		
CWIP Addition includes an advance of Rs.1408.52Lacs												

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd...)**

		<b>(Rs. in Lacs)</b>	
		<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
<b>SCHEDULE "F" : CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>I. CURRENT ASSETS</b>			
<b>A. Inventories</b>			
(As taken, valued and certified by the management- at cost or net realisable value whichever is lower)			
- Raw Materials		1,986.99	517.52
- Finished Goods		2,914.35	1,440.77
- Stores, Spares & Packing Materials		192.45	50.57
	<b>Total (A)</b>	<b>5,093.79</b>	<b>2,008.86</b>
<b>B. Sundry Debtors</b>			
(Unsecured - considered good)			
- Below 6 Months		2,727.32	2,580.44
- Others		547.09	111.86
	<b>Total (B)</b>	<b>3,274.41</b>	<b>2,692.30</b>
<b>C. Cash and Bank Balances</b>			
- Cash in hand		4.48	11.88
- Cheque in hand		-	30.29
<b>- Balance with Scheduled Banks</b>			
- Current Accounts		4.61	16.38
- Margin Deposits against LC		105.64	731.34
- Margin Deposits against BG		5.21	4.29
	<b>Total (C)</b>	<b>119.94</b>	<b>794.18</b>
	<b>TOTAL (I) (A+B+C)</b>	<b>8,488.14</b>	<b>5,495.34</b>
<b>II LOANS AND ADVANCES</b>			
<b>A. Advances recoverable in cash or in kind or for value to be received - Unsecured - considered good</b>			
- To Suppliers / Contractors		759.70	699.90
- Others		55.23	131.06
		<b>814.93</b>	<b>830.96</b>
B. Security Deposits		346.10	104.44
C. Central Excise Duty Receivable		762.12	320.20
D. Advance Income Tax & Tax Deducted at Source		730.65	283.97
E. Income Tax refundable		2.67	1.80
F. Other Advances		22.07	8.56
	<b>Total (II) (A to F)</b>	<b>2,678.54</b>	<b>1,549.93</b>
	<b>TOTAL CURRENT ASSETS, LOANS &amp; ADVANCES (I+II)</b>	<b>11,166.68</b>	<b>7,045.27</b>

**SCHEDULES FORMING PART OF BALANCE SHEET (Contd...)**

		(Rs. in Lacs)	
		As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE "G" : CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>I. CURRENT LIABILITIES</b>			
<b>A. Sundry Creditors</b>			
<b>I. For Goods</b>			
- Due to Micro, Small & Medium Enterprises		0.61	4.53
- Others		929.09	505.14
<b>II. For Expenses</b>		<b>209.68</b>	254.42
<b>III. For Capital Goods</b>		<b>157.81</b>	1,920.71
		<u>1,297.19</u>	<u>2,684.80</u>
<b>B. Advance / Deposit from Customers &amp; Others</b>		<b>36.49</b>	125.54
	<b>Total (I)</b>	<u>1,333.68</u>	<u>2,810.34</u>
<b>II. PROVISIONS</b>			
- Gratuity		10.46	-
- Duties & Taxes		300.30	37.38
- Income Tax		805.79	283.10
- Dividend & Tax thereon		157.98	158.50
- Others		344.95	413.89
	<b>Total (II)</b>	<u>1,619.48</u>	<u>892.87</u>
<b>TOTAL CURRENT LIABILITIES &amp; PROVISIONS (I+II)</b>		<u>2,953.16</u>	<u>3,703.21</u>
<b>SCHEDULE "H" : MISCELLANEOUS EXPENDITURE</b>			
Public Issue Expenses		56.77	85.15
Less:Written Off during the Year		28.38	28.38
<b>Net Carried to Balance Sheet</b>		<u>28.39</u>	<u>56.77</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

		Year Ended 31.03.2011	Year Ended 31.03.2010
<b>SCHEDULE "I" : OTHER INCOME</b>			
<b>A. Interest</b>			
From Margin Deposits with Bank (Tds Rs.0.51lacs Previous year Rs.1.48lacs)		6.27	7.28
From Deposits		3.37	2.96
	<b>Total (A)</b>	<u>9.64</u>	<u>10.24</u>
<b>B. Others</b>			
Profit on Sales of Fixed Assets		0.58	2.34
Dividend Income		13.62	-
Foreign Currency Exchange Gain		31.96	60.24
Miscellaneous Receipts		5.04	6.66
	<b>Total (B)</b>	<u>51.20</u>	<u>69.24</u>
	<b>Total (A+B)</b>	<u>60.84</u>	<u>79.47</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNTS (Contd...)**

	<b>(Rs. in Lacs)</b>	
	<b>Year Ended 31.03.2011</b>	<b>Year Ended 31.03.2010</b>
<b>SCHEDULE "J" : INCREASE / (DECREASE) IN STOCKS</b>		
Closing Stock of Finished Goods	<b>2,914.35</b>	1,440.77
Less: Opening Stock of Finished Goods	<b>1,440.77</b>	498.08
<b>Net Increase / (Decrease)</b>	<b>1,473.58</b>	942.69
<b>SCHEDULE "K" : RAW MATERIALS CONSUMED</b>		
Opening Stock	<b>517.52</b>	1,082.85
Add: Purchases (Net of Returns)	<b>13,380.85</b>	7,607.26
	<b>13,898.37</b>	8,690.11
<b>Less: Closing Stocks</b>	<b>1,986.99</b>	517.52
<b>Raw Materials Consumed</b>	<b>11,911.38</b>	8,172.59
<b>SCHEDULE "L" : MANUFACTURING EXPENSES</b>		
Excise Duty on Stock Differential	<b>123.97</b>	96.62
<b>Personnel Expenses</b>		
- Salaries, Wages & Allowances	<b>1,057.22</b>	764.85
- Contribution to Provident & Other Funds	<b>21.93</b>	16.79
- Bonus	<b>31.70</b>	25.72
- Gratuity	<b>10.46</b>	8.41
- Staff Welfare Expenses	<b>22.95</b>	19.17
Job Work Charges	<b>100.79</b>	80.85
Water Charges	<b>1.14</b>	1.70
Fuel	<b>90.06</b>	111.96
Power Charges	<b>1,549.97</b>	1,091.69
Packing Materials	<b>1,960.47</b>	1,380.96
Consumable & Stores	<b>273.89</b>	215.95
<b>Repairs &amp; Maintenance</b>		
- Building & Civil Works	<b>49.69</b>	37.10
- Plant & Machinery - Hire charges	<b>0.32</b>	36.01
- Plant & Machinery	<b>41.38</b>	96.56
- Other Assets	<b>65.63</b>	76.56
Transportation, Coolie & Cartage	<b>65.22</b>	78.19
<b>Total</b>	<b>5,466.79</b>	4,139.09

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNTS (Contd...)**

	(Rs. in Lacs)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>SCHEDULE "M" : ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Directors' Remuneration	103.62	39.07
Rent	129.96	28.62
Rates, Taxes & Other Fees	28.03	11.14
Insurance Premium	18.52	10.24
Conveyance Expenses	8.54	6.46
Vechile Running & Maintenance	17.99	14.50
Telephone Charges	14.12	14.37
Printing & Stationery	12.16	14.23
Postage & Telegram	11.99	8.48
Legal & Professional Charges	73.42	35.45
Electricity Charges	1.81	1.61
Membership & Subscription	2.28	1.92
Miscellaneous Expenses	4.66	10.96
Computer Expenses	19.15	33.01
Auditors Remuneration	11.00	2.36
Security Service Charges	16.84	11.93
Travelling Expenses	53.98	45.65
Bad debts written off	5.56	10.53
Profit /(Loss) on Sale / redumption of Securities	0.57	-
Exchange Loss	-	16.59
Advertisement & Publicity	39.63	28.68
Seminar / Event expenses	3.14	31.36
Carriage Outwards	242.66	120.12
Discount & Trade Rebates	6.02	8.68
Sales Commission	112.51	181.50
Sales Promotion Expenses	16.60	12.90
<b>Total</b>	<b>954.76</b>	<b>700.35</b>
<b>SCHEDULE "N" : INTEREST &amp; FINANCIAL CHARGES</b>		
Interest on Rupee Loans - Term Loans	218.02	67.51
- Cash Credit Limits	111.33	140.32
Interest on FCNRB Loans - Term Loans	53.78	30.40
- Cash Credit Limits	36.69	8.67
FCNRB Loan Forward Contract Premium	44.20	13.67
Export Packing Credit	8.68	6.30
Buyers Credit Interest	20.08	-
Interest to other	0.59	-
Bank Commission & Charges	130.99	85.84
<b>Total</b>	<b>624.36</b>	<b>352.71</b>

## **A. SIGNIFICANT ACCOUNTING POLICIES**

### **1. ACCOUNTING CONCEPTS**

The financial statements have been prepared under the historical cost convention on accrual basis under Indian Generally Accepted Accounting Principles (GAAP). GAAP comprises Accounting Standards notified by the Central Government of India under Companies (Accounting Standard) Rules, 2006 and other pronouncements of the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956.

### **2. USE OF ESTIMATES**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Example of such estimates include provision for doubtful debts, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment.

### **3. FIXED ASSETS**

All assets are stated at historical cost (net of CENVAT CREDIT wherever applicable) less accumulated depreciation. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use. Fixed assets taken on finance lease are capitalized.

### **4. DEPRECIATION**

Depreciation is provided for under written down value method at the rates prescribed under schedule VI of the Companies Act, 1956 for all categories of eligible assets on a proportionate basis depending on the period of use.

### **5. INVESTMENTS**

Long-term investments are stated at cost, less provision for other than temporary diminution in value. Current investments comprising investments in mutual funds are stated at the lower of cost and fair value.

### **6. BORROWING COSTS**

Borrowing Costs are capitalized as part of qualifying asset when it is possible that they will result in future economic benefits. Other borrowing costs are expensed.

### **7. VALUATION OF INVENTORIES**

- (i) Raw material, packing material, Stores & Spares and consumables are valued at cost computed on FIFO basis or market value whichever is less on the relevant valuation date. Cost for the purposes of valuation of raw-material, packing materials and stores & tools is inclusive of duties and taxes, freight inward, octroi and inward insurance and is net of credit under the CENVAT / VAT scheme.
- (ii) Finished Goods are valued at cost of manufacture or net realizable value whichever is lower and also includes the provision for excise duty likely to be payable upon clearance of the finished goods lying at the year end in factory / bonded premises.

### **8. FOREIGN CURRENCY TRANSACTION**

Transactions denominated in foreign currencies are normally recorded at monthly standard rate. Exchange fluctuations arising on payment or realization are dealt within the profit and loss account. All monetary items are restated at the year end and non monetary items are at valuation date rate / transaction date as the case may be and any differences arising thereof have been dealt within the profit and loss account to the extent pertains to the current year.

Any income or expense on account of exchange difference either on settlement or on transaction is recognized in the Profit & Loss account.

## 9. REVENUE RECOGNITION

Revenue from sale is recognized on dispatch of goods. Gross Sales are inclusive of excise duty and are net of trade discounts / sales returns.

Dividend Income is recognised when the right to receive is established.

Interest Income is accrued on a time proportionate basis.

Income from sale of scrap is recognised upon dispatch.

## 10. EMPLOYEE BENEFITS

### Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits, including accumulated compensated absences, at the balance sheet date, are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

### Long-term employee benefits

#### Provident Fund

The company contributes to a government administered provident / pension fund in respect of all eligible employees. The fixed contributions to these funds are charged to Profit and Loss Account.

#### Gratuity

The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment. Liability with regard to gratuity plan is accrued based on an actuarial valuation at the balance sheet date carried out by the independent actuary and is funded by Aviva Life Insurance Company India Limited.

#### Leave Encashment

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

## 11. TAXES ON INCOME

Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

## 12. SHARE ISSUE EXPENSES

Expenses in connection with issue of shares are shown as Miscellaneous Expenditure in the balance sheet and written-off equally over 5 years.

## 13. IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each Balance Sheet date for impairment, if any, based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**B. NOTES ON ACCOUNTS**

- All the figures in the Financial Statement have been rounded off to the nearest rupees lacs. The previous year's figures have been regrouped / rearranged, wherever necessary, to facilitate comparison with current year's figures.
- Balances in debtors, creditors and advances accounts as appearing in the books of account at the close of relevant accounting year are subjected to external confirmation/ reconciliation after the year end as per standard accounting practice followed by the company. In the opinion of the Board, all the current assets, loans and advances have a value on realization in the ordinary course of business of a sum at least equal to the amount at which they are stated in the books of account.
- Pursuant to sales tax exemption and deferment certificate obtained by the Company from the Government of Karnataka in respect of expansion of its plant capacity under various incentive scheme(s), the Company has provided for its sales tax liability in the books of account under relevant provisions based on its own assessment, pending final assessment by appropriate authority. The company had availed tax deferment of Rs.190.93lacs (Previous Year Rs.190.93 lacs) which is repayable after expiry of a period of 7 years from 28.12.2001 in 3 yearly installments. The Company has already made payments of Rs.127.28lacs up to 31.3.2010 and the balance of Rs.63.65lacs has been remitted during the financial year.
- Estimated amount of contracts remaining to be executed on Capital Account but not provided for as on 31.3.2011 is Rs.114.75lacs (Previous year Rs.764.60lacs) against which advance of Rs55.29lacs (previous year Rs.79.78lacs) has been made.

**5. Contingent Liabilities not provided for::**

Rs.in Lacs

Particulars	As on 31.03.2011			As on 31.03.2010		
	Total Liability	Margin / Deposits	Net Liability	Total Liability	Margin / Deposits	Net Liability
1 Bank Guarantees outstanding	51.79	5.18	46.61	21.08	4.17	16.91
2 Bank LCs against procurement of raw materials outstanding	1,109.42	37.53	1,071.89	18.54	1.92	16.62
3 Bank LCs against capital equipment outstanding	3,053.95	64.42	2,989.53	1,978.25	724.32	1,253.93
4 Disputed liability towards customs duty under appeal	2.86	-	2.86	2.86	-	2.86
5 Customs duty on unfulfilled Export obligations against imports vide Advance/EPCG licenses	594.92	-	594.92	751.23	-	751.23
<b>Total</b>	<b>4,812.94</b>	<b>107.13</b>	<b>4,705.81</b>	<b>2,771.96</b>	<b>730.41</b>	<b>2,041.55</b>

**6. Details relating to dues to Micro, Small and Medium enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 on the basis of such parties having been identified by the Management and relied upon by the Auditors.**

Rs.in Lacs

Particulars	31.03.2011	31.03.2010
1. Dues outstanding to MSMEs	0.61	4.53
2. Dues outstanding for more than 45days out of the above amounts	Nil	NIL

**7. Particulars of Directors' Remuneration:**

Rs.in Lacs

	31.03.2011	31.03.2010
Remuneration to Managing Director	27.00	10.20
Remuneration to Executive Director	21.00	9.60
Remuneration to Other Directors	20.33	Nil
Monetary Value of Perquisites	35.29	19.27
<b>Total</b>	<b>103.62</b>	<b>39.07</b>

The aforesaid remuneration / perquisites have been allowed to the Managing Director and Executive Director as minimum remuneration pursuant to sections 269, 198 read with Schedule XIII and other applicable provisions of Companies Act, 1956 in accordance with special resolutions passed by members of company in Annual General Meeting held on August 31, 2010.

**8. Particulars of Payments made to the Statutory Auditors:**

Rs.in Lacs

Items	31.03.2011	31.03.2010
Statutory Audit Fees including quarterly audit	6.00	1.75
Tax Audit Fees	5.00	0.61
Fees for Certification and other services	0.09	1.72
<b>Total*</b>	<b>11.09</b>	<b>4.08</b>

\*Excluding Service Tax

**9. Additional information pursuant to the provision of paragraph 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956:**

**(i) Particulars of Licensed and Installed Capacity:**

Class of Goods Manufactured	Licensed capacity* (MTPA)		Installed capacity**(MTPA)	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
i) PET Stretch Blow Moulded Containers	Not specified	Not specified	8,450	7,010
ii) Carboys, Bottles, Flasks, Preforms and similar articles of plastics	50,000	50,000	28,200	22,200

(\*) Based on IEM Registrations obtained by the Company from SIA.

(\*\*) Based on triple shift operation assuming 300 working days a year as certified by the Management, which has been relied upon by the Auditors being a technical matter.

**(ii) Particulars of Production, Sales & Stocks of PET Preform & Containers:**

Rs.in Lacs

Items	31.03.2011		31.03.2010	
	Qty. (MT)	Value	Qty. (MT)	Value
Production	32,954.468	-	21,771.453	-
Opening Stock	3,426.853	1,440.77	1,354.183	498.08
Purchase of Trading Items	71.722	44.88	14.379	15.12
Closing Stock	8,905.204	2,914.35	3,426.853	1,440.77
Sales Turnover	27,547.839	21,938.64	19,713.162	14,776.68
Conversion Turnover	14,586.608	2,246.86	10,002.397	1,228.74

**(iii) Particulars of Raw Materials Consumed:**

Rs.in Lacs

Items	31.03.2011		31.03.2010	
	Qty. (MT)	Value	Qty. (MT)	Value
PET Chips	12,287.395	8,634.09	9,830.08	5,748.96
PP Chips	3,251.465	2,437.89	2,376.576	1,653.04
GPPS	4.00	2.69	0.15	0.08
Pet Preforms	44.318	38.34	815.389	135.08
Master Batch	38.225	132.15	30.004	94.24
Admer	30.848	30.12	39.651	55.08
EVOH	24.685	87.79	21.300	68.39
Labels	-	137.51	-	147.26
Vads	-	176.54	-	114.71
Others	-	234.27	-	155.75
<b>Total</b>	-	<b>11,911.39</b>	-	<b>8,172.59</b>

**(iv) Break-up of Raw Materials consumed:**

Rs.in Lacs

Items	31-03-2011		31-03-2010	
	%	Value	%	Value
Imported	11%	1,363.21	16%	1298.23
Indigenous	89%	10,548.18	84%	6,874.36
<b>Total</b>	<b>100%</b>	<b>11,911.39</b>	<b>100%</b>	<b>8,172.59</b>

**(v) Break-up of Stores & Spares Consumed:**

Rs.in Lacs

Items	%	Value	%	Value
Imported	16%	31.13	11%	24.36
Indigenous	84%	158.57	89%	191.59
<b>Total</b>	<b>100%</b>	<b>189.70</b>	<b>100%</b>	<b>215.95</b>

**(vi) Value of Imports (CIF Value):**

Rs.in Lacs

Items	31.03.2011	31.03.2010
Raw Materials	1,472.60	1,035.83
Spares & Consumables	31.13	18.25
Capital Equipment	1,014.25	2,118.53

**(vii) Expenditure in foreign currency:**

Rs.in Lacs

Items	31.03.2011	31.03.2010
Traveling Expenses	7.82	5.85
Bank Charges (Import & FBC)	0.35	0.48
Interest on FCNRB and PCFC Loans	90.47	35.67
Machine Hire Charges	Nil	18.05
Others	12.97	0.40
<b>Total</b>	<b>111.61</b>	<b>60.45</b>

**(viii) Earning in foreign currency:**

Rs.in Lacs

Items	31.03.2011	31.03.2010
FOB Value of Exports	985.02	552.37

**10. Disclosure in respect of Derivatives:**

Rs.in Lacs

Particulars	Currency	31.03.2011	31.03.2010
(a) Quantum of derivatives(all of which identified as hedged) outstanding Forward Exchange Contracts	US\$	Nil	36.83
(b) Foreign currency exposure not hedged by a derivative instrument or otherwise	US\$	Nil	1,982.02

11. The Company is engaged in the manufacture and sale (both Domestic & Exports) of "PET / Plastics Preforms & Containers," on own account and on account of others which constitutes single business segment. As per Management perspective the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other business / geographical segments to be reported under AS 17.

**12. Disclosure in respect of related parties pursuant to AS 18 issued under the Companies Act, 1956:****(i) List of related parties and their relationship**

<b>Name of the related parties</b>	<b>Nature of relationships</b>
Mphinite Technologies Private Limited.	Associate
Mphinite Solutions Private Limited.	Associate
Manjushree Fincap Private Limited.	Associate
Shruti Financial Services Private Limited	Associate
Hitech Creations Private Limited	Associate
Vimal Kedia	Key Management Personnel
Surendra Kedia	Key Management Personnel
Rajat Kedia	Key Management Personnel
Ankit Kedia	Key Management Personnel

**(ii) Disclosure of transactions with related parties:**

Rs.in Lacs

<b>Nature of transactions</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>Unsecured loan taken:</b>		
Mphinite Technologies Pvt. Ltd.	686.92	939.55
<b>Unsecured loan repayment:</b>		
Mphinite Technologies Pvt. Ltd.	686.92	939.55
<b>Directors Remuneration</b>		
Vimal Kedia	40.63	21.95
Surendra Kedia	41.55	16.92
Rajat Kedia	10.16	Nil
Ankit Kedia	10.53	Nil
<b>Total</b>	<b>102.87</b>	<b>38.87</b>

**13. Managerial Remuneration**

<b>Particulars</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>1. Managing Director and other Whole-time Directors</b>		
(a) Salaries (including Company's contribution to Provident and Superannuation funds)	68.32	19.80
(b) Commission	Nil	Nil
(c) Estimated value of perquisites and allowances	34.55	19.07
<b>2. Non Whole-time Directors</b>		
(a) Commission	Nil	Nil
(b) Sitting fees	0.75	0.20
<b>Total Remuneration</b>	<b>103.62</b>	<b>39.07</b>

**Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956.**

Particulars	31.03.2011	31.03.2010
Profit before taxes and exceptional items	2,260.24	1,557.54
Add:		
(a) Managerial Remuneration	103.62	39.07
(b) Provision for doubtful debts and advances (net)	Nil	Nil
(c) Provision for diminution in value of long-term investments	Nil	Nil
<b>Total</b>	<b>103.62</b>	<b>39.07</b>
Less:		
(a) Profit on redemption / sale of mutual funds and other current investments (net)	12.73	Nil
(b) Profit on sale of long-term investments	Nil	Nil
(c) Capital profits on sale of fixed assets	0.58	2.34
(d) Write back of provision for doubtful debts and advances (net)	Nil	Nil
<b>Total</b>	<b>13.31</b>	<b>2.34</b>
Net Profit as per Section 309 (5) of the Companies Act, 1956	<b>2,350.55</b>	<b>1,594.27</b>
Commission:		
(a) Whole-time Directors	Nil	Nil
(b) Non Whole-time Directors	Nil	Nil

**14. Earnings per Share**

Particulars	31.03.2011	31.03.2010
Net profit for the year (Amount available for equity shareholders)	1,479.26	1,057.26
Weighted average number of shares	13,547,700	13,547,700
Earnings per share basic and diluted	10.92	7.80
Face value per equity share	10.00	10.00

**15. Components of net Deferred Tax Asset / Liability:**

Particulars	31.03.2011	Adjustment	31.03.2010
Depreciation	600.12	3.59	596.53
Employee Benefit	-22.85	-2.61	-20.24
<b>Total</b>	<b>577.27</b>	<b>0.98</b>	<b>576.29</b>
Previous Year	596.53	217.18	359.11

- Ø Previous year figures have been regrouped, rearranged and recasted wherever considered necessary.
- Ø The Company Equity Shares have been listed on National Stock Exchange w.e.f. December 29, 2010.
- Ø Schedules "A" to "O" form part of the Accounts.

In terms of our report of even date annexed

**For Singhvi, Dev & Unni**  
**Chartered Accountants**  
**Firm Regn.No.003867S**

**for and on behalf of the Board**

**Parthasarathy Sudarsanam**  
**Partner**  
**Membership No.205179**  
**Bangalore, May 27, 2011**

**Vimal Kedia**  
**Managing director**

**Surendra Kedia**  
**Executive Director**

**Additional Information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956:****Balance Sheet Abstract and Company's General Business Profile:****(i) Registration Detail:**

Registration No.	:	032636
State Code	:	08

Balance Sheet Date	:	31.03.2011
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**(ii) Capital Raised during the year: Rs. in Lacs**

Public Issue	:	NIL
Bonus Issue	:	NIL

Rights Issue	:	NIL
Private Placement	:	NIL

**(iii) Position of Mobilisation and Deployment of Funds:**

Rs.in Lacs

<b>Total Liabilities</b>	:	<b>22,387.14</b>
<b>Sources of Funds</b>		
Paid Up capital	:	1,354.77
Reserves and Surplus	:	6,810.93
Secured Loans	:	7,175.49
Unsecured Loans	:	3,515.52
Deferred Tax Liability	:	577.27

<b>Total Assets</b>	:	<b>22,387.14</b>
<b>Application of Funds</b>		
Net Fixed Assets	:	11,192.07
Investments	:	NIL
Net Current Assets	:	8,213.52
Misc. Expenditure	:	28.39

**(iv) Performance of the Company:**

Rs.in Lacs

Turnover / Other Income	:	23,151.92
Profit / (Loss) before Tax	:	2,260.24
Earning Per Share (Rs.)	:	10.92

Total Expenditure	:	20,891.68
Profit / (Loss) after Tax	:	1,479.26
Dividend Per Share (Rs.)	:	1.00

**(v) Generic Names of Principal Products of Company:**

Product Description	ITC Code No.
PET Stretch Blow Moulded Containers	: 39076000
Carboys, Bottles, Flasks and Similar Articles of Plastics	: 39233000

For and on behalf of the Board

Vimal Kedia  
Managing Director

Surendra Kedia  
Executive Director

**MANJUSHREE TECHNOPACK LIMITED**  
**AUDITED PROFIT & LOSS ANALYSIS**
**(Rs. in Lacs)**

ITEMS	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03	31.03.02
<b>INCOME</b>										
Gross Turnover	24,185.50	16,005.42	11,878.76	8,518.44	7,997.24	6,532.43	5,150.14	3,658.72	2,771.57	1,910.19
Less: Central Excise Duty	2,568.00	1,102.18	1,319.19	1,143.95	961.11	927.78	727.68	492.46	405.91	262.07
<b>Net</b>	<b>21,617.50</b>	<b>14,903.24</b>	<b>10,559.57</b>	<b>7,374.49</b>	<b>7,036.13</b>	<b>5,604.65</b>	<b>4,422.46</b>	<b>3,166.26</b>	<b>2,365.66</b>	<b>1,648.12</b>
Other Income	60.84	49.21	49.39	25.52	5.63	6.11	2.43	5.04	3.56	5.31
Increase / (Decrease) in Stocks	1,473.58	942.69	79.30	185.90	(54.44)	43.84	104.37	11.75	50.25	12.56
<b>Total</b>	<b>23,151.92</b>	<b>15,895.14</b>	<b>10,688.26</b>	<b>7,585.91</b>	<b>6,987.32</b>	<b>5,654.61</b>	<b>4,529.26</b>	<b>3,183.05</b>	<b>2,419.47</b>	<b>1,665.99</b>
<b>EXPENDITURE</b>										
Raw Materials Consumed	11,911.38	8,172.59	5,694.94	4,005.42	4,063.94	3,045.20	2,402.69	1,546.81	1,271.10	871.38
Manufacturing Expenses	4,345.48	3,323.33	2,015.03	1,369.15	1,359.81	1,308.32	1,033.12	723.33	500.58	333.54
Salary & Wages	1,121.31	815.76	604.29	448.38	311.78	220.62	151.21	122.89	85.57	61.87
<b>Operating Cost</b>	<b>17,378.17</b>	<b>12,311.68</b>	<b>8,314.26</b>	<b>5,822.95</b>	<b>5,735.53</b>	<b>4,574.14</b>	<b>3,587.02</b>	<b>2,393.03</b>	<b>1,857.25</b>	<b>1,266.79</b>
Administrative & Selling Expenses	954.76	683.76	560.89	541.42	375.02	347.03	312.09	228.67	243.03	167.60
Interest & Financial Charges	624.36	339.04	144.38	168.00	162.23	132.81	111.84	93.66	37.26	33.26
Depreciation & Write offs	1,934.39	1,003.12	522.31	364.37	275.32	337.84	343.74	314.80	166.59	119.34
<b>Total Cost</b>	<b>20,891.68</b>	<b>14,337.60</b>	<b>9,541.84</b>	<b>6,896.74</b>	<b>6,548.10</b>	<b>5,391.82</b>	<b>4,354.69</b>	<b>3,030.16</b>	<b>2,304.13</b>	<b>1,586.99</b>
<b>NET PROFIT FOR THE YEAR</b>	<b>2,260.24</b>	<b>1,557.54</b>	<b>1,146.42</b>	<b>689.17</b>	<b>439.22</b>	<b>262.78</b>	<b>174.57</b>	<b>152.89</b>	<b>115.34</b>	<b>79.00</b>
Exceptional Items	-	-	-	(12.18)	(4.16)	(49.50)	2.78	(0.60)	(0.97)	(14.50)
<b>PROFIT BEFORE TAXATION</b>	<b>2,260.24</b>	<b>1,557.54</b>	<b>1,146.42</b>	<b>676.99</b>	<b>435.06</b>	<b>213.28</b>	<b>177.35</b>	<b>152.29</b>	<b>114.37</b>	<b>64.50</b>
Provision for Taxation	780.00	283.10	207.08	150.45	156.92	84.62	39.30	15.43	10.67	21.14
Deferred Tax Provision	0.98	217.18	190.08	86.37	(4.18)	(8.46)	25.63	39.09	30.58	-
<b>NET PROFIT AFTER TAXATION</b>	<b>1,479.26</b>	<b>1,057.26</b>	<b>749.26</b>	<b>440.17</b>	<b>282.32</b>	<b>137.12</b>	<b>112.42</b>	<b>97.77</b>	<b>73.12</b>	<b>43.36</b>
Less: Dividends & Tax thereon	157.98	158.50	158.50	49.26	48.01	48.01	47.61	-	-	-
<b>Profits after Dividends</b>	<b>1,321.28</b>	<b>898.76</b>	<b>590.76</b>	<b>390.91</b>	<b>234.31</b>	<b>89.11</b>	<b>64.81</b>	<b>97.77</b>	<b>73.12</b>	<b>43.36</b>
Surplus brought forward from PY	1,437.25	628.49	437.73	846.82	612.51	523.40	458.59	360.82	287.70	244.34
Less: Transfer to General Reserve	-	90.00	400.00	800.00	-	-	-	-	-	-
<b>NET SURPLUS CARRIED TO BS</b>	<b>2,758.53</b>	<b>1,437.25</b>	<b>628.49</b>	<b>437.73</b>	<b>846.82</b>	<b>612.51</b>	<b>523.40</b>	<b>458.59</b>	<b>360.82</b>	<b>287.70</b>
PAT / Net Sales	6.84%	7.09%	7.10%	5.97%	4.01%	2.45%	2.54%	3.09%	3.09%	2.63%
PBT / Net Sales	10.46%	10.45%	10.86%	9.18%	6.18%	3.81%	4.01%	4.81%	4.83%	3.91%
PBDIT / Net Sales	22.29%	19.46%	17.17%	16.56%	12.46%	13.09%	14.25%	17.73%	13.49%	14.05%
Earning per share (FV: Rs. 10)	10.92	7.80	5.53	3.25*	6.70	3.26	2.67	2.32	1.74	1.03
<b>Cash Accruals</b>	<b>3,413.65</b>	<b>2,060.38</b>	<b>1,271.57</b>	<b>804.54</b>	<b>557.64</b>	<b>474.96</b>	<b>456.16</b>	<b>412.57</b>	<b>239.71</b>	<b>162.70</b>
* On Post - Issue Capital										

## MANJUSHREE TECHNOPACK LIMITED AUDITED BALANCE SHEET ANALYSIS

(Rs. in Lacs)

ITEMS	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03	31.03.02
<b>SHAREHOLDERS' FUNDS</b>										
Share Capital	1,354.77	1,354.77	1,354.77	1,354.77	421.08	421.08	421.08	421.08	421.08	421.08
Reserves & Surplus	6,810.93	5,489.65	4,590.89	4,000.13	972.93	738.62	649.51	584.70	486.93	413.81
Share Issue Expenses	(28.39)	(56.77)	(85.15)	(113.53)	-	-	-	(4.11)	(8.21)	(12.32)
<b>Net Worth</b>	<b>8,137.31</b>	<b>6,787.65</b>	<b>5,860.51</b>	<b>5,241.37</b>	<b>1,394.01</b>	<b>1,159.70</b>	<b>1,070.59</b>	<b>1,001.67</b>	<b>899.80</b>	<b>822.57</b>
<b>DEFERRED TAX PROVISION</b>	<b>577.27</b>	<b>576.29</b>	<b>359.11</b>	<b>169.03</b>	<b>82.66</b>	<b>86.84</b>	<b>95.30</b>	<b>69.67</b>	<b>30.58</b>	<b>-</b>
<b>LOAN FUNDS</b>										
Term Loans	4,056.20	2,341.20	459.41	633.00	753.91	957.73	852.25	735.00	453.39	143.00
Unsecured Loans	3,515.52	1,984.36	1,116.30	190.93	846.42	340.71	288.99	166.01	160.58	100.59
<b>Long Term Debt</b>	<b>7,571.72</b>	<b>4,325.56</b>	<b>1,575.71</b>	<b>823.93</b>	<b>1,600.33</b>	<b>1,298.44</b>	<b>1,141.24</b>	<b>901.01</b>	<b>613.97</b>	<b>243.59</b>
Cash Credit Limit	3,119.29	2,773.09	1,366.89	500.64	83.07	810.35	769.77	600.69	267.10	170.65
<b>Overall Debt</b>	<b>10,691.01</b>	<b>7,098.65</b>	<b>2,942.60</b>	<b>1,324.57</b>	<b>1,683.40</b>	<b>2,108.79</b>	<b>1,911.01</b>	<b>1,501.70</b>	<b>881.07</b>	<b>414.24</b>
<b>TOTAL</b>	<b>19,405.59</b>	<b>14,462.59</b>	<b>9,162.22</b>	<b>6,734.97</b>	<b>3,160.07</b>	<b>3,355.33</b>	<b>3,076.90</b>	<b>2,573.04</b>	<b>1,811.45</b>	<b>1,236.81</b>
<b>APPLICATION OF FUNDS</b>										
<b>FIXED ASSETS</b>										
Gross Block	15,710.87	13,279.19	8,915.44	5,798.73	4,355.70	3,840.91	3,318.32	2,859.64	2,219.99	1,557.09
Less : Depreciation to date	5,985.85	4,085.75	3,123.44	2,634.38	2,301.30	2,030.79	1,694.35	1,357.85	1,047.16	884.68
Capital Work-in-Progress	1,467.05	6.37								
<b>Net Block</b>	<b>11,192.07</b>	<b>9,199.81</b>	<b>5,792.00</b>	<b>3,164.35</b>	<b>2,054.40</b>	<b>1,810.12</b>	<b>1,623.97</b>	<b>1,501.79</b>	<b>1,172.83</b>	<b>672.41</b>
<b>INVESTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.10</b>	<b>4.10</b>	<b>4.10</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>										
Inventories	5,093.79	2,008.86	1,619.06	1,186.89	678.39	688.86	630.47	479.87	351.36	202.48
Sundry Debtors	3,274.41	2,692.30	1,586.27	1,409.68	934.54	884.22	784.31	599.22	328.38	354.02
Other Current Assets	2,798.48	2,344.11	878.73	1,752.13	999.12	445.90	327.71	203.72	210.96	193.27
<b>Total</b>	<b>11,166.68</b>	<b>7,045.27</b>	<b>4,084.06</b>	<b>4,348.70</b>	<b>2,612.05</b>	<b>2,018.98</b>	<b>1,742.49</b>	<b>1,282.81</b>	<b>890.70</b>	<b>749.77</b>
Current Liabilities & Provisions	2,953.16	1,782.49	713.84	778.08	1,506.38	473.77	289.56	215.66	256.18	189.47
<b>Net Current Assets</b>	<b>8,213.52</b>	<b>5,262.78</b>	<b>3,370.22</b>	<b>3,570.62</b>	<b>1,105.67</b>	<b>1,545.21</b>	<b>1,452.93</b>	<b>1,067.15</b>	<b>634.52</b>	<b>560.30</b>
<b>TOTAL</b>	<b>19,405.59</b>	<b>14,462.59</b>	<b>9,162.22</b>	<b>6,734.97</b>	<b>3,160.07</b>	<b>3,355.33</b>	<b>3,076.90</b>	<b>2,573.04</b>	<b>1,811.45</b>	<b>1,236.81</b>
Current Ratio	1.84	1.55	1.96	3.40	1.64	1.57	1.64	1.57	1.70	2.08
Long Term Debt / Net Worth	0.93	0.64	0.27	0.16	1.15	1.12	1.07	0.90	0.68	0.30
Overall Debt / Net Worth	1.68	1.31	0.62	0.40	2.29	2.23	2.06	1.71	1.26	0.73
Total Assets / Net Worth	2.75	2.39	1.69	1.43	3.35	3.30	3.14	2.78	2.30	1.73
Book Value Per Share (FV: Rs. 10)	60.06	50.10	43.26	38.69	33.11	27.54	25.42	23.79	21.37	19.53

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **TWENTY FOURTH ANNUAL GENERAL MEETING** of the Members of **MANJUSHREE TECHNOPACK LIMITED** will be held on **Monday, the 26<sup>th</sup> day of September, 2011 at 11.00 am** at No. 60E, Bommasandra Industrial Area, Anekal Taluk, Hosur Road, Bangalore – 560 099 (Karnataka) to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31<sup>ST</sup> March 2011, Audited Profit & Loss Account and the Audited Cash Flow Statement for the year ended on that date together with the Directors' and the Auditors' reports thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. J .K .Singhania, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. R. P. Agarwal, who retires by rotation, and being eligible, offers himself for reappointment.
5. To reappoint Auditors of the Company and authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

1. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
**"RESOLVED THAT** in partial modification of the resolution passed at the Annual General Meeting of the Company held on 31.08.2010 and subject to the provisions of section 198,269,309,310,311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof , the Company do hereby accord its approval for the variation in remuneration and perquisites to Sri. **Vimal Kedia, Managing Director** of the Company with the effect from 1<sup>st</sup> October, 2011 till 31<sup>st</sup> March, 2015 on the following terms and conditions and that the Board of Directors (hereinafter referred to as "Board" which terms shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to modify, vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc. and arrangement between the Company and Mr. Vimal Kedia be suitably amended to give effect to such modification(s), relaxation, variation or increase, so long as such revised terms are within the limits prescribed under Schedule XIII to the Companies Act, 1956, without any further reference to the Company in General Meeting.
  - a) **Salary** : Rs.225000/-(Rs.Two Lacs Twenty Five thousand only) per month (in the scale of Rs.225000- 45000-405000 as annual increase) as approved in the previous Annual General Meeting held on 31st August 2010.
  - b) **Perquisite & Allowance** : Value restricted to 100% of the Salary Amount;  
The perquisite and allowances shall include accommodation or house rent allowance @50% of salary in lieu thereof, reimbursement of house maintenance expenses in respect of utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and/or allowances upto the amounts specified above as may be mutually agreed, subject to overall ceiling remuneration stipulated in the aforesaid provisions of the Companies Act, 1956. The perquisites shall be evaluated as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites.
  - c) **Commission**: Entitled for the receipt of Commission @ 1% of the Net Profit as computed under Section 349 and 350 of the Companies Act,1956, subject to the limits prescribed under the Act and any other rules and orders as

may be applicable from time to time. In case there are no sufficient profit availability for payment of the said commission, he shall be entitled for such commission on pro rata basis for the said year.

- d) **Minimum Remuneration** : In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of salary, commission, perquisites and other allowances payable to the Managing Director and Whole Time Director shall be subject to the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956 as may be in force for the time being.
- e) **Termination of the Agreement** : Either party may terminate the agreement by giving six months notice or payment of equivalent salary in lieu thereof. In the event of loss of office as managing director Sri Vimal Kedia shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956.”
2. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:  
“**RESOLVED THAT** in partial modification of the resolution passed at the Annual General Meeting of the Company held on 31.08.2010 and subject to the provisions of section 198,269,309,310,311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof , the Company do hereby accord its approval for the variation in remuneration and perquisites to Sri. **Surendra Kedia, Executive Director** of the Company with the effect from 1<sup>st</sup> October, 2011 till 31<sup>st</sup> March, 2015 on the following terms and conditions and that the Board of Directors (hereinafter referred to as “Board” which terms shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to modify, vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc. and arrangement between the Company and Mr. Surendra Kedia be suitably amended to give effect to such modification(s), relaxation, variation or increase, so long as such revised terms are within the limits prescribed under Schedule XIII to the Companies Act, 1956, without any further reference to the Company in General Meeting.
- a) **Salary** : Rs.175000/- (Rs.One Lacs Seventy Five thousand only) per month.(in the scale of Rs.175000- 35000-315000 as annual increase) as approved in the previous Annual General Meeting held on 31st August 2010.
- b) **Perquisite & Allowance** : Value restricted to 100% of the Salary Amount;  
The perquisite and allowances shall include accommodation or house rent allowance @50% of salary in lieu thereof, reimbursement of house maintenance expenses in respect of utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and/or allowances upto the amounts specified above as may be mutually agreed, subject to overall ceiling remuneration stipulated in the aforesaid provisions of the Companies Act, 1956. The perquisites shall be evaluated as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites.
- c) **Commission**: Entitled for the receipt of Commission @ 0.75% of the Net Profit as computed under Section 349 and 350 of the Companies Act,1956,subject to the limits prescribed under the Act and any other rules and orders as may be applicable from time to time. In case there are no sufficient profit availability for payment of the said commission, he shall be entitled for such commission on pro rata basis for the said year.
- d) **Minimum Remuneration**: In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may

be necessary, the amount of salary, commission, perquisites and other allowances payable to the Managing Director and Whole Time Director shall be subject to the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956 as may be in force for the time being.

- e) **Termination of the Agreement** : Either party may terminate the agreement by giving six months notice or payment of equivalent salary in lieu thereof. In the event of loss of office as Executive director, Sri Surendra Kedia shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956.”

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in partial modification of the resolution passed at the Annual General Meeting of the Company held on 31.08.2010 and subject to the provisions of section 198,269,309,310,311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof, the Company do hereby accord its approval for the variation in remuneration and perquisites to Sri. **Rajat Kedia, Director** of the Company with the effect from 1<sup>st</sup> October, 2011 till 31<sup>st</sup> March, 2015 on the following terms and conditions and that the Board of Directors (hereinafter referred to as “Board” which terms shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to modify, vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc. and arrangement between the Company and Mr. Rajat Kedia be suitably amended to give effect to such modification(s), relaxation, variation or increase, so long as such revised terms are within the limits prescribed under Schedule XIII to the Companies Act, 1956, without any further reference to the Company in General Meeting.

- a) **Salary:** Rs.100000/-(Rs.One Lacs only) per month (in the scale of Rs.100000 - 15000-150000 as annual increase) as approved in the previous Annual General Meeting held on 31st August 2010.

- b) **Perquisite & Allowance** : Value restricted to 100% of the Salary Amount.

The perquisite and allowances shall include accommodation or house rent allowance @50% of salary in lieu thereof, reimbursement of house maintenance expenses in respect of utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and/or allowances upto the amounts specified above as may be mutually agreed, subject to overall ceiling remuneration stipulated in the aforesaid provisions of the Companies Act, 1956. The perquisites shall be evaluated as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites.

- c) **Commission:** Entitled for the receipt of Commission @ 0.50% of the Net Profit as computed under Section 349 and 350 of the Companies Act,1956, subject to the limits prescribed under the Act and any other rules and orders as may be applicable from time to time. In case there are no sufficient profit availability for payment of the said commission, he shall be entitled for such commission on pro rata basis for the said year.

- d) **Minimum Remuneration:** In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of salary, commission, perquisites and other allowances payable to the Managing Director and Whole Time Director shall be subject to the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956 as may be in force for the time being.

- e) **Termination of the Agreement** : Either party may terminate the agreement by giving six months notice or payment of equivalent salary in lieu thereof. In the event of loss of office as director Sri Rajat Kedia shall be paid

compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956.”

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

“**RESOLVED THAT** in partial modification of the resolution passed at the Annual General Meeting of the Company held on 31.08.2010 and subject to the provisions of section 198,269,309,310,311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof, the Company do hereby accord its approval for the variation in remuneration and perquisites to Sri. **Ankit Kedia, Director** of the Company with the effect from 1<sup>st</sup> October, 2011 till 31<sup>st</sup> March, 2015 on the following terms and conditions and that the Board of Directors (hereinafter referred to as “Board” which terms shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to modify, vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc. and arrangement between the Company and Mr. Ankit Kedia be suitably amended to give effect to such modification(s), relaxation, variation or increase, so long as such revised terms are within the limits prescribed under Schedule XIII to the Companies Act, 1956, without any further reference to the Company in General Meeting.

a) **Salary** : Rs.100000/-(Rs.One Lacs only) per month (in the scale of Rs.100000- 15000-150000 as annual increase) as approved in the previous Annual General Meeting held on 31st August 2010..

b) **Perquisite & Allowance** : Value restricted to 100% of the Salary Amount;

The perquisite and allowances shall include accommodation or house rent allowance @50% of salary in lieu thereof, reimbursement of house maintenance expenses in respect of utilization of gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and/or allowances upto the amounts specified above as may be mutually agreed, subject to overall ceiling remuneration stipulated in the aforesaid provisions of the Companies Act, 1956. The perquisites shall be evaluated as per the Income Tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the company’s contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites.

c) **Commission**: Entitled for the receipt of Commission @ 0.50% of the Net Profit as computed under Section 349 and 350 of the Companies Act, 1956, subject to the limits prescribed under the Act and any other rules and orders as may be applicable from time to time. In case there are no sufficient profit availability for payment of the said commission, he shall be entitled for such commission on pro rata basis for the said year.

d) **Minimum Remuneration** : In the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment, the Director may be paid the substantive remuneration as stated above as the Minimum Remuneration subject to however that unless approved by the Shareholders and the Central Government, as may be necessary, the amount of salary, commission, perquisites and other allowances payable to the Managing Director and Whole Time Director shall be subject to the limits prescribed under Part II of Schedule XIII of the Companies Act, 1956 as may be in force for the time being.

e) **Termination of the Agreement** : Either party may terminate the agreement by giving six months notice or payment of equivalent salary in lieu thereof. In the event of loss of office as director Sri Ankit Kedia shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956.”

Bangalore

The 12<sup>th</sup> Day of August, 2011

**By order of the Board**

**Vimal Kedia**  
**Managing Director**

**NOTES:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll in his stead and the proxy need not be a member of the Company. Proxy, in order to be effective, must reach the registered office of the Company not less than 48 hours before the time fixed for the meeting. For the said purpose Proxy form is enclosed to this notice.
2. The register of members and share transfer books of the Company shall remain closed from **19<sup>th</sup> day of September 2011 to 26<sup>th</sup> day of September 2011 (both days inclusive)**.
3. Members are requested to bring their copy of Annual Report to the meeting. Members / Proxies should also bring the printed attendance slip duly filled in for attending the meeting.
4. Members are requested to intimate to the Company their queries, if any, regarding the accounts / report at least ten days before the date of ensuing Annual General Meeting to enable the management to keep the information readily available at the meeting.
5. Members are requested to quote the folio number in correspondence with the Company. Member who are holding Equity Shares in identical order of names in more than one folio are requested to write to the Registrars and Share Transfer Agents of the Company to enable the Company to consolidate their holdings in one folio.
6. All the requests for transfer of shares along with relevant Transfer Deeds and Share Certificates besides intimation of any change in their address or non receipt of dividend etc., may be sent by the members either to the Company at its registered office or to the Registrars and Share Transfer Agents at the address given below:

**INTEGRATED ENTERPRISES (INDIA) LTD.**

(Unit: Manjushree Technopack Limited)

30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road,  
Malleswaram, Bangalore – 560 003.

Tel: 080 23460815 / 818 Fax: 080-23460819

Email: [alfint@vsnl.com](mailto:alfint@vsnl.com)

7. The Company's existing Equity Shares are approved for dematerialization by NSDL and CDSL under ISIN: INE435H01015 and the members are requested to avail the **DEMAT** facility in respect of such shares through their respective DP's. The Company's Equity Shares are listed at Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) the Company has already remitted the Annual Listing Fees for the year 2010 – 11.
8. Pursuant to SEBI notification no MED/DOP/Circular/05/2009 dated 20/05/2009 It has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company / RTI to enable / effect transfer of Shares in physical form.
9. Subject to the provisions of Section 206A of the Companies Act, 1956, Dividend on Equity Shares as recommended by the Board, if approved at this meeting, will be payable to those eligible Members whose name appear:
  - a. as Beneficial Owners, as on **September 19, 2011** as per list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in electronic form, and
  - b. as Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before **September 19, 2011**,
10. Members who have not received dividends in respect of earlier years may contact Integrated Enterprises (India) Limited, Registrars of the Company, giving details of such dividends in order to enable the Registrars to issue fresh / revalidated dividend warrants.
11. Members are informed that in accordance with the provisions of Sections 205A of the Companies Act 1956, the amount of unclaimed dividend will be transferred to the credit of Investors' Education and Protection Fund (IEPF) established

by the Central Government pursuant to Section 205C of the Companies Act, 1956. Shareholders who have not yet encashed their Dividend Warrant for the said period are requested to forward their claims in Form II prescribed under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 to the Registrar of Companies, Karnataka. Dividend which remain unpaid / unclaimed for a period of 7 (seven) years will be transferred by the Company to the IEPF pursuant to the said provisions of the Act. Accordingly, all unclaimed / unpaid dividends of Manjushree Technopack Limited in respect of financial year 1997-98 and 2000-2001 have been transferred to IEPF. Members who have not encashed their dividend warrant for the year F.Y.2002-2003 or thereafter are requested to write to the Company's Registrar and Share Transfer Agents.

12. The Equity Shares of the Company continue to be listed on the Bombay Stock Exchange (BSE) w.e.f. 28<sup>th</sup> February 2008 under scrip code: 532950 and scrip ID: MANJUSHRE on BOLT system. Annual Listing Fess has been duly paid to BSE for the year 2010-11.
13. The Equity Shares of the Company also listed on the National Stock Exchange (NSE) w.e.f. 29<sup>th</sup> December, 2010 under scrip ID: MANJUSHREE on BOLT system. Annual Listing Fess has been duly paid to NSE for the year 2010-11.
14. As regards re-appointment of Mr. J. K. Singhania referred to in Item No. 3 of the Notice the following necessary disclosures are made for the information of the Shareholders:

Mr. J. K. Singhania, aged 55 year is a Graduate in B.Com (Hons), and expertise in Administration he has work experience of 30 years.

**His other directorships:**

Name of Company	Nature of Interest
Nahorjan Tea Co. Pvt Ltd	Director
Rungajuan Tea Co. Pvt Ltd	Director

15. As regards re-appointment of Mr. R. P. Agarwal referred to in Item No 4 of the Notice the following necessary disclosures are made for the information of the Shareholders:

Mr. R. P. Agarwal, aged 74 year is a MBA, M.Com, LLB, has expertise in Finance, he has work experience of 50 years.

**His other directorships:**

Name of Company	Nature of Interest
Welcast Steels Limited	Director
Advantage India Limited	Director
Infomart India Pvt. Ltd.	Director
Jairamdas & Sons Pvt. Ltd.	Director
SLN Enterprises Pvt. Ltd.	Director

## **ANNEXURES TO NOTICE**

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

The following Explanatory Statement set out all material facts relating to the Special Business mentioned in accompanying Notice:

#### **Item No 1 to 4 of Special Business:**

The Board of Directors of the Company at its meeting held on 12<sup>th</sup> August, 2011, based on the recommendation by Remuneration Committee meeting held on 12/08/2011, revised the remuneration entitlement to Managing Director and all the Whole Time Directors of your Company with effect from 1<sup>st</sup> October, 2011 to 31<sup>st</sup> March, 2015 subject to approval of the members of the Company in General Meeting. Their remuneration needs to be linked to the profit earnings of the Company to ensure the continuous growth and compensation shall commensurate with the growth of the Company.

The draft agreements relating to variation in terms and condition of appointment, between the company and Sri. Vimal Kedia, Managing Director, Sri. Surendra Kedia, Executive Director, Sri. Rajat Kedia, Director and Sri. Ankit Kedia, Director respectively are available for inspection by the member of the Company at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days.

All the above referred Directors are related to each other and all of them may be regarded as concerned or interested in the resolutions. No other Director is concerned or interested in the said resolutions. The statement may be regarded as an abstract of the variation in terms of appointment and memorandum of interest pursuant to section 302 of Companies Act, 1956.

The Board recommends the resolution for the approval of members, as Special Resolution.

**Bangalore**

**The 12<sup>th</sup> Day of August, 2011**

**By order of the Board**

**Vimal Kedia**

**Managing Director**

**MANJUSHREE TECHNOPACK LIMITED**  
Regd. Office: #143C5, Bommasandra Industrial Area,  
Hosur Road, Bangalore – 560 099 (Karnataka)

**PROXY FORM**

Folio No.: .....

No. of Share(s) held: .....

I/We..... R/O.....  
being a member(s) of **MANJUSHREE TECHNOPACK LIMITED** do hereby appoint Mr. / Mrs. / Miss .....  
..... R/O .....  
and failing him / her, Mr. / Mrs. / Miss ..... R/O .....  
to vote for me / us and on my / our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on  
Monday, the 26<sup>th</sup> day of September 2011 at 11.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2011

Affix a Re.1/-  
Revenue  
Stamp and  
sign. thereon

**Notes:**

1. The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The form should be signed as per specimen signature registered with the Company.
3. A proxy need not be a member of the Company.

**MANJUSHREE TECHNOPACK LIMITED**  
Regd. Office: #143C5, Bommasandra Industrial Area,  
Hosur Road, Bangalore – 560 099 (Karnataka)

**ATTENDANCE SLIP**

(To be signed and handed over at the Registration Counter)

Folio No.: .....

No. of Share(s) held: .....

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting of the Company to be held on **26<sup>th</sup> day of September 2011 at 11.00 a.m.** at #60 E, Bommasandra Industrial Area, Hosur Road, Bangalore – 560 099.

**(All Particulars should conform with that of Company's Record)**

Member's Name (in block Letters) :  
Father's/Husband's Name :  
Complete Address :  
Proxy's Name :

**Member's / Proxy's Signature**



**BOOK POST**

To .....

.....

.....

If Undelivered, please return to:

**Manjushree Technopack Limited**

#143 C5, Bommasandra Indl. Area

Hosur Road, Bangalore - 560 099